

1993 NOMINATIONS FOR THE DEPARTMENT OF  
VETERANS AFFAIRS AND DEPARTMENT OF  
LABOR

Y 4. V 64/4: S. HRG. 103-986

1993 Nominations for the Department...

ARINGS

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES SENATE  
ONE HUNDRED THIRD CONGRESS  
FIRST SESSION

ON

THE NOMINATIONS OF JERRY W. BOWEN, TO BE DIRECTOR OF THE NATIONAL CEMETERY SYSTEM; EUGENE A. BRICKHOUSE, TO BE ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION; D. MARK CATLETT, TO BE ASSISTANT SECRETARY FOR FINANCE AND INFORMATION RESOURCES MANAGEMENT; KATHY ELENA JURADO, TO BE ASSISTANT SECRETARY FOR PUBLIC AND INTERGOVERNMENTAL AFFAIRS; MARY LOU KEENER, TO BE GENERAL COUNSEL; VICTOR P. RAYMOND, TO BE ASSISTANT SECRETARY FOR POLICY AND PLANNING; EDWARD P. SCOTT, TO BE ASSISTANT SECRETARY FOR CONGRESSIONAL AFFAIRS; AND PRESTON M. TAYLOR, TO BE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING

MAY 12, JULY 1, OCTOBER 28, AND NOVEMBER 19, 1993

Printed for the use of the Committee on Veterans' Affairs



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(II)



# CONTENTS

MAY 12, 1993

	Page
Nominations of Jerry W. Bowen, D. Mark Catlett, Mary Lou Keener, and Edward P. Scott to the Department of Veterans Affairs .....	1

## STATEMENTS BY COMMITTEE MEMBERS

Chairman John D. Rockefeller IV .....	1
Prepared statement of Chairman Rockefeller .....	57
Senator Daniel K. Akaka .....	11
Senator Ben Nighthorse Campbell .....	4
Senator Dennis DeConcini .....	59
Senator Frank H. Murkowski .....	4
Senator Alan K. Simpson .....	10
Senator Strom Thurmond .....	62

## WITNESSES

Bowen, Jerry W., nominee for Director, National Cemetery System .....	5
Prepared statement of Mr. Bowen .....	63
Catlett, D. Mark, nominee for Assistant Secretary for Finance and Information Resources Management .....	6
Prepared statement of Mr. Catlett .....	93
Keener, Mary Lou, nominee for General Counsel .....	6
Prepared statement of Ms. Keener .....	123
Scott, Edward P., nominee for Assistant Secretary for Congressional Affairs .....	7
Prepared statement of Mr. Scott .....	178

JULY 1, 1993

Nomination of Victor P. Raymond to the Department of Veterans Affairs .....	21
---	----

## STATEMENTS BY COMMITTEE MEMBERS

Chairman John D. Rockefeller IV .....	22
Prepared statement of Chairman Rockefeller .....	195
Senator Daniel K. Akaka .....	24
Senator Alan K. Simpson .....	22
Senator Strom Thurmond .....	21
Prepared statement of Senator Thurmond .....	197

## WITNESS

Raymond, Victor P., nominee to be Assistant Secretary for Policy and Planning ....	25
--	----

## IV

### OCTOBER 28, 1993

Nominations of Eugene A. Brickhouse and Kathy Elena Jurado to the Department of Veterans Affairs .....	39
--	----

#### STATEMENTS BY COMMITTEE MEMBERS

Chairman John D. Rockefeller IV .....	39
Prepared statement of Chairman Rockefeller .....	233
Senator Daniel K. Akaka .....	41
Senator Bob Graham .....	44
Prepared statement of Senator Graham .....	235
Senator James M. Jeffords .....	240
Senator Frank H. Murkowski .....	41
Prepared statement of Senator Murkowski .....	237
Senator Strom Thurmond .....	239

#### WITNESSES

Brickhouse, Eugene A., nominee to be Assistant Secretary for Human Resources and Administration .....	43
Prepared statement of Mr. Brickhouse .....	268
Jurado, Kathy Elena, nominee to be Assistant Secretary for Public and Intergovernmental Affairs .....	42
Prepared statement of Ms. Jurado .....	241

### NOVEMBER 19, 1993

Nomination of Preston M. Taylor to the Department of Labor .....	47
--	----

#### STATEMENTS BY COMMITTEE MEMBERS

Chairman John D. Rockefeller IV .....	49
Prepared statement of Chairman Rockefeller .....	298
Senator Daniel K. Akaka .....	299
Senator Frank H. Murkowski .....	300
Senator Strom Thurmond .....	47
Prepared statement of Senator Thurmond .....	303

#### WITNESSES

Bradley, Hon. Bill, a U.S. Senator from the State of New Jersey .....	48
Lautenberg, Hon. Frank R., a U.S. Senator from the State of New Jersey .....	54
Taylor, Preston M., nominee to be Assistant Secretary of Labor for Veterans' Employment and Training .....	50
Prepared statement of Gen. Taylor .....	305

## APPENDIX

## Part I of statement for completion by Presidential nominees:

Bowen, Jerry W .....	65
Brickhouse, Eugene A .....	270
Catlett, D. Mark .....	96
Jurado, Kathy Elena .....	243
Keener, Mary Lou .....	124
Raymond, Victor P .....	198
Scott, Edward P .....	179
Taylor, Preston M .....	312

## Written questions and the responses:

## Chairman Rockefeller to:

Bowen, Jerry W .....	75
Brickhouse, Eugene A .....	285
Catlett, D. Mark .....	102
Jurado, Kathy Elena .....	252
Keener, Mary Lou .....	131
Raymond, Victor P .....	206
Scott, Edward P .....	186
Taylor, Preston M .....	318

Senator Akaka to Taylor, Preston M .....	332
--	-----

Senator Jeffords to Jurado, Kathy Elena .....	266
---	-----

## Senator Murkowski to:

Brickhouse, Eugene A .....	295
Jurado, Kathy Elena .....	265

Senator Simpson to Raymond, Victor P .....	228
--	-----



# **NOMINATIONS OF JERRY W. BOWEN, D. MARK CATLETT, MARY LOU KEENER, AND EDWARD P. SCOTT TO THE DEPARTMENT OF VETERANS AFFAIRS**

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**WEDNESDAY, MAY 12, 1993**

**U.S. SENATE  
COMMITTEE ON VETERANS' AFFAIRS  
*Washington, DC.***

The Committee met, pursuant to notice, at 10:30 a.m. in room SR-418, Russell Senate Office Building, Hon. John D. Rockefeller IV (Chairman of the Committee) presiding.

Present: Senators Rockefeller, Akaka, Campbell, Murkowski, and Simpson.

## **OPENING STATEMENT OF CHAIRMAN ROCKEFELLER**

Chairman ROCKEFELLER. The hearing will come to order.

I want to apologize to the audience, but Senator Campbell and I were having such a good time with our four nominees back in the back room and we kept you waiting. I apologize.

This is a very important hearing because we are going to consider the nominations of four very key people for the Department of Veterans Affairs. The nominees are Jerry Bowen, to be Director of the National Cemetery System; Mark Catlett, to be Assistant Secretary for Finance and Information Resources Management; Mary Lou Keener, to be General Counsel; and some guy by the name of Ed Scott [laughter] to be Assistant Secretary for Congressional Affairs. I can't believe I am sitting here looking at you over there. [Laughter.] We ought to trade places.

It is really wonderful to have you here. Mark, you of course have been here as a witness a number of different times. And as I indicated, Ed is probably not unfamiliar with this chamber. I extend a warm welcome to each of you and to any family or friends that you have here with you. In a moment, I am going to ask you to introduce any family and friends who are with you. I congratulate each of you for your nomination. You have a magnificent opportunity to serve the veterans of our Nation in your new offices, assuming your confirmation, which I do.

Jerry Bowen, like his friend and colleague Deputy Secretary Hershel Gober, is from someplace called Arkansas and is retired from a career in the military. In Jerry's case, he retired as an Army Colonel in 1989 after serving two tours in Vietnam and later holding several senior positions in the Pentagon.

Mark Catlett is a West Virginian by birth, which I wish I could say about myself. I am enormously proud, as I am sure Mark is, of the number of West Virginians who serve in our military. Mark was born in Martinsburg and grew up in Hedgesville, which is an enormous metropolis north of Martinsburg. [Laughter.] If you are going at about 20 miles an hour, you are through there in about 45 seconds. [Laughter.] Mark's father was the Republican sheriff of Berkeley County but Mark seems to have turned out okay anyway. [Laughter.] Mark attended West Virginia University where he played basketball. And Senator Murkowski and Senator Campbell, I would say the Catletts are a pretty amazing family in West Virginia. His uncle, Gale Catlett, played on the West Virginia basketball team with Jerry West and Rod Thorn and has been coaching our team since 1980. Mark is a career VA employee, which I like a lot because that is a very important message to people who work at the VA and I am really glad about it; I am really glad that you were picked because that says you work hard, you do your work well, and up you go.

Mary Lou Keener is a Vietnam veteran who has been very active in veterans matters while maintaining an active law practice in Atlanta, GA. She was born in Flint, MI. Mary Lou served on the hospital ship U.S.S. *Repose* in Vietnam after receiving her nursing degree, and she later joined the Air Force Reserves where she is now a Colonel. She was called to active duty during Operation Desert Storm. I notice, Mary Lou, that you put in some time working for our colleague Don Riegle back in his days in the House, so I expect you know what kind of place this is here.

It is hard to know where to begin with Ed Scott. I just care for Ed so much, like him so much. I learned some things about Ed which I didn't know working with him. Ed served in the Air Force in the mid-1960's and, Senator Murkowski, I didn't know that he was also director of the Peace Corps Program in Korea.

Senator MURKOWSKI. I didn't know that either.

Chairman ROCKEFELLER. Yes. That is an amazing thing to do. That's a tough job that takes a very special kind of person to want to do that and be able to do that. Ed, you were with the Mental Health Law Project in the mid-1970's which tells me something else about you. That's a very compelling, emotional, outreaching experience. And Ed, of course, is best known to those of us here for 16 years of service to veterans as a staff member of this Committee beginning as general counsel, then as minority general counsel, and finally as chief counsel and staff director. So, Ed, it is really, really good to have you back with us here. It makes me feel proud.

President Clinton has shown great confidence in each of you, in your work and your commitment to veterans, by nominating you to serve in these very important positions. You each bring to the VA a valuable perspective which I know that you will aggressively use. I look forward to a timely meeting of our Committee at 9:30 next Wednesday morning, 1 week from today, to act on these nominations so as to allow you to join Jesse and Hershel as part of the top ranked team at the VA.

In closing, I note that each of the nominees has completed the Committee Questionnaire for Presidential Nominees and responded

to my prehearing questions, all of which will appear in the record. Also included will be a letter from the Office of Government Ethics acknowledging that each is in compliance with the laws and regulations governing conflicts of interest; those get more and more complicated. I will review the FBI report on each of you prior to the Committee meeting next week. I look forward to hearing your testimony.

[The documents referred to appear on pp. 65-90, 96-115, 124-154, 179-193.]

Before I yield to Senator Murkowski and Senator Campbell, I would love it if each of you would introduce your family members to us. Ed, why don't we start with you.

Mr. SCOTT. Thank you, Senator. I would like to introduce a small contingent here, some from Maryland, some from New Jersey. My wife, Jane, and my mother, Gladys Scott. Behind my mother is my father, Harry Scott.

Chairman ROCKEFELLER. Could they stand up.

Mr. SCOTT. My mother and father have been married for 60 years and 1 day. [Applause.]

Chairman ROCKEFELLER. Oh, my heavens.

Mr. SCOTT. Next, my daughter-in-law Jane, and her husband, my son, Ed, and my grandson, Marshall.

Chairman ROCKEFELLER. That's great.

Senator MURKOWSKI. That's very nice.

Mr. SCOTT. My daughter Lauren lives here in Washington, DC; my brother, Harry; my sister, Gladys McCardell; and my friend of 25 or so years and next door neighbor, Bob Maher. [Applause.]

Chairman ROCKEFELLER. Welcome to each one of you.

Mark?

Mr. CATLETT. Thank you, Senator. I can't match Ed's contingent, but I do have people here who are very special to me and I would like to introduce the joy of my life, my family. My wife, Sally, and my children, Marisa and Ryan. Also we have some proud West Virginians from the Hedgesville area, important people also in my life, my mother, and in-laws, Jack and Pat Snapp. [Applause.]

Chairman ROCKEFELLER. Great.

Mary Lou? Mary Lou has a broken foot so she doesn't rise as easily.

Ms. KEENER. Thank you, Mr. Chairman. I would like to introduce my parents, Mr. and Mrs. Dallas Brady, who travelled all the way from Michigan to be here with me today. [Applause.]

Chairman ROCKEFELLER. And Jerry?

Mr. BOWEN. Mr. Chairman, my wife, Connie, is with me today. We have two children who are not with us today, my daughter Scarlett, who is a junior at Harding University in Searcy, AR, and my son, Steven, who is in business in Jonesboro, AR. [Applause.]

Chairman ROCKEFELLER. Great.

Before I administer the oath to all of you at once, which is required by Committee rules, I call on my very good friend, Senator Murkowski.



## OPENING STATEMENT OF SENATOR MURKOWSKI

Senator MURKOWSKI. Thank you, Mr. Chairman. I would like to compliment you and your staff for obviously a good deal of research on the personal backgrounds of the nominees this morning. I think it is very nice that the families can be here, and, Ed, you have just about outdone yourself with the number of people you have here and the amount of the room they fill. [Laughter.] I thought you were going to keep going back there row after row. [Laughter.]

In all candor, we know these nominees, some better than others. From the minority side, we look forward to your contribution to the Department of Veterans Affairs. In our continuing responsibility to oversee VA operations, from time to time you will be hearing from us—once in a while independently, but for the most part the Chairman and I will communicate with you jointly. We have structured this Committee's activities in a nonpartisan way and I value our working relationship very highly and look forward to working with the Chairman to make the process work. I don't think that there is anything that I could ask in the way of added qualifications. And Mr. Chairman, if I get lost in downtown Hedgesville, I will be sure to phone you collect to tell me how to get out of the inner-city area and back on the highway. [Laughter.]

And so with that, I would welcome you all. I think this is a pretty automatic procedure from here on in, at least from our side of the aisle. Congratulations.

Chairman ROCKEFELLER. Thank you, Senator, very much.

Senator MURKOWSKI. I also have a statement from Senator Thurmond for the record.

Chairman ROCKEFELLER. Without objection, Senator Thurmond's statement will be entered into the record.

[The prepared statement of Senator Thurmond appears on page 62.]

Chairman ROCKEFELLER. Senator Campbell.

Senator CAMPBELL. Thank you, Mr. Chairman. I should start by saying that I don't have one single relative in here. [Laughter.]

Chairman ROCKEFELLER. Maybe not even too many friends. [Laughter.]

Senator MURKOWSKI. That you know about.

## OPENING STATEMENT OF SENATOR CAMPBELL

Senator CAMPBELL. That I know about. But certainly, the nominees are going into public service at a difficult time in declining budget years, the difficulties that veterans face in housing and medical help, education, a number of other things. I know that the decisions they make are not going to be easy and I certainly support them and commend them for wanting to serve in Government now. Your mail right after you get nominated, I imagine, is going to increase and some of it is going to be very, very angry and very frustrating. When you have to make decisions dealing with 27 million Americans, 27 million veterans, some of them are going to be tough decisions. I happen to be one of those veterans, having served in Korea perhaps a good deal of time before Mary Lou did. I know she is a lot younger than I but I was over there when I was 18 and 19 years old.



One thing I guess I found out in the succeeding years is there are no good wars; they all have one common denominator and that is that they are tragic and that in many respects there are no winners when it comes to loss of life, particularly with the children, and the disrupted lives that it creates forever after. A good number of our veterans come back and I think they face problems that maybe no one who hasn't served in the military does face. I think that was really brought to the forefront with the return of our Vietnam veterans who were not really exonerated by many of the American public until after our conflict in Kuwait. But I have always been proud of the fact that I was a veteran and my Dad before me. I know those who have served always have felt sort of a camaraderie with those others whether you know them or not, knowing what they went through too.

So I do commend you and I am looking forward to working with you, as all the members of this Committee are. Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Thank you.

Now if each of you will rise, I will administer the oath to you.

Do you each swear or affirm that the testimony you will give at this hearing and any written answers or statements that you provide in connection with this hearing will be the truth, the whole truth, and nothing but the truth?

Mr. BOWEN. I do.

Mr. SCOTT. I do.

Mr. CATLETT. I do.

Ms. KEENER. I do.

Chairman ROCKEFELLER. Thank you very much.

Jerry, let's start with you.

#### **TESTIMONY OF JERRY W. BOWEN, NOMINEE TO BE DIRECTOR OF THE NATIONAL CEMETERY SYSTEM, DEPARTMENT OF VETERANS AFFAIRS**

Mr. BOWEN. Mr. Chairman and members of the Committee, it is a great honor for me to be here as the President's nominee to be the Director of the National Cemetery System.

I am deeply humbled that President Clinton, Secretary Brown, and Deputy Secretary Goyer have all expressed their confidence in my qualifications to serve in what I consider to be a very important position. As one who has served in the United States Army for more than a quarter of a century, and as a veteran of our Nation's longest war, I am keenly aware of the special trust that the American people place on those who administer and operate our national cemeteries.

Many of my friends are resting in those cemeteries which, if confirmed, I will be administering and caring for in the name of the American people. The delivery of the final benefit to our veterans and their families with dignity, respect, and reverence, and maintaining these resting places in perpetuity for all to see and reflect on their sacrifices is one of the most memorable services that a Government can provide.

The National Cemetery System faces some important challenges in the future. An aging veteran population is placing increasing pressure on our ability to accommodate those who desire burial in a

national or a State veterans cemetery. If confirmed as Director, I will be committed to those initiatives, programs, and policies which will ensure that American veterans and their families will continue to receive the burial benefits that the people of the United States have decreed that they are entitled.

Mr. Chairman, I am prepared to answer your questions or those of any member of the Committee.

[The prepared statement of Mr. Bowen appears on page 63.]

Chairman ROCKEFELLER. Thank you very much, Mr. Bowen.

Mr. Catlett?

### **TESTIMONY OF D. MARK CATLETT, NOMINEE TO BE ASSISTANT SECRETARY FOR FINANCE AND INFORMATION RESOURCES MANAGEMENT, DEPARTMENT OF VETERANS AFFAIRS**

Mr. CATLETT. Thank you, Mr. Chairman. As you have indicated, I have a short statement to submit for the record.

Chairman ROCKEFELLER. All of your statements are in the record.

Mr. CATLETT. Thank you very much. I would take one additional moment to thank the Secretary and the Deputy Secretary for the confidence they have expressed in me to fulfill this opportunity to serve America's veterans.

As you indicated in a recent letter, in the areas of my proposed responsibility, finance and information resources management, we have challenges and we need to strengthen the coordination and the integration of those activities in the VA. We need to get accurate data to all the managers of the VA, that is from the Secretary right down to that service director at those local facilities who have the job of providing the benefits. We are staff and the job is out there being done across the country and that is a responsibility that we need to recognize and we need to serve those people.

I believe that commitment exists both in the administration and here, and I look forward to the opportunity to help us move forward in the next several years. Thank you very much.

[The prepared statement of Mr. Catlett appears on page 93.]

Chairman ROCKEFELLER. Thank you very much, Mark.

Mary Lou Keener?

### **TESTIMONY OF MARY LOU KEENER, NOMINEE TO BE GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS**

Ms. KEENER. Mr. Chairman, it is truly an honor and a privilege for me to appear before you today as President Clinton's nominee for the position of General Counsel of the Department of Veterans Affairs.

For the past 25 years, I have had many opportunities to serve this country and to work with my fellow veterans on active military duty, as a member of the Air Force Reserves, as a nurse, a lawyer, and finally a volunteer. If I am confirmed, I am looking forward to the opportunity to continue to serve in the role of General Counsel.

I have prepared a formal statement for the record, and I look forward to answering any questions the Committee may have.

[The prepared statement of Ms. Keener appears on page 123.]

Chairman ROCKEFELLER. Mary Lou Keener, thank you very much. Sir Edward? [Laughter.]

**TESTIMONY OF EDWARD P. SCOTT, NOMINEE TO BE ASSISTANT SECRETARY FOR CONGRESSIONAL AFFAIRS, DEPARTMENT OF VETERANS AFFAIRS**

Mr. SCOTT. Thank you, Mr. Chairman. Thank you very much for the typical warmth and friendship that exists here in this Committee. It was a tremendous place for me to work for 16 years. Veterans issues in the Congress has become a very major part of my life. I think that makes it very appropriate that I seek the position for which I have now been nominated, and I am very honored and humbled by the President's selection and the confidence that Secretary Brown and Deputy Secretary Gober have shown in me.

I will always be grateful to the Senate and this Committee for the absolutely wonderful experience I had here, and I don't mean this to be too egocentric because the focus was always out there where the veterans are and their families. I hope that is where we will be able to maintain our focus. I will certainly do my best to try that for my own part.

We do have tremendous obligations, as Senator Campbell has alluded to, to the persons who have defended this Nation in time of war and who have kept her secure during times of great international tension during this century. Those are real people out there, just as are the taxpayers. We all have a heavy responsibility to meet our obligations to all of them.

So I am looking forward very, very much to working, if confirmed, with the members of this Committee and others in the Congress involved with veterans issues. Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Scott appears on page 178.]

Chairman ROCKEFELLER. Ed, thank you very much.

I have got to say I am really happy about all four of you. Ed, obviously I know you the best and I just have a very special feeling about you, but I think it is extraordinary when people agree to take on something like this, to go to an appointed position in the executive branch of government. People in America are so angry about government in general, fed up with government. For example in your case, Mark, you were in there for as long as you wanted to be and then you just decided when they came to you that you would put yourself at risk in a sense and I really admire that. I really admire that. I think that is a terrific thing for you to do. But all of you—Mary Lou, you could have been doing all kinds of things; Jerry, you also. It is just very impressive to me.

Let me start off with a couple of questions, and Senator Campbell, you just interrupt at will.

Senator CAMPBELL. Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Jerry, you have a very tough job. It seems to me that the option of extending the life of currently open national cemeteries needs to be looked at more closely. We have 54 national cemeteries closed, and 11 more scheduled to be closed before the year 2000. What in heaven's name are we going to be able to do in terms of keeping the existing national cemeteries open?

Mr. BOWEN. Yes, sir. The National Cemetery System has developed a strategic plan to address this specific problem. That plan consists of four avenues or four prongs in order to do this. First, the plan will establish, when feasible, new national cemeteries in those geographical areas that have the largest concentration of veterans and their families. Second, the plan would seek to extend the service life of existing cemeteries by the development of areas for cremated remains. And we can do this at a cost savings, less land, less labor, et cetera. Another way we will also—

Chairman ROCKEFELLER. What is the ratio in burials of cremations to non-cremation burial situations?

Mr. BOWEN. Yes, sir. Within the National Cemetery System, our fiscal year 1992 statistics show that 24 percent of the burials were of cremated remains. This is slightly higher than the national average of approximately 20 percent.

Chairman ROCKEFELLER. Is that right? That's interesting. OK.

Mr. BOWEN. The third way that we would seek to continue to provide burial space to the veterans would be through the acquisition, either through purchase or donation, of lands adjacent to our current cemeteries in order to extend their service life.

And then the fourth method that the NCS has developed as part of the strategic plan would be to encourage States to provide additional gravesites through the State Cemetery Grants Program.

Chairman ROCKEFELLER. How does that work? How successful is that?

Mr. BOWEN. It has been very successful. We have placed over \$34 million into a total of 74 grants and these grants have gone to establish State cemeteries in 18 States and the Territory of Guam. Right now, it is a 50-50 split. We have matching funds from the Federal Government and the State must come up with 50 percent matching funds in order to establish a State Veterans Cemetery.

Chairman ROCKEFELLER. OK. Jerry, documents that go along with the 1994 budget say that the National Cemetery System's equipment backlog, like a lot of things in the VA, is going to be reduced by almost \$6 million at the end of this year and that an additional \$3 million is scheduled for new replacement in 1994. This is our budget climate; this is what we're all living in. How do you adjust that? You don't have a lot of flexibility, I wouldn't think.

Mr. BOWEN. No, sir.

Chairman ROCKEFELLER. How do you deal with that?

Mr. BOWEN. We are a service-oriented organization and we have to provide the service when the service is needed. We have an equipment backlog currently that we're carrying into fiscal year 1994 from fiscal year 1993 of \$5.8 million. And as you mentioned, we have \$3 million that we have proposed in the 1994 budget for purchase of equipment. What this means is we are not going to get any better, but we're not going to get any worse. We will maintain the \$5.8 million backlog but we will have \$3 million in order that we don't get backlogged any more as far as equipment is concerned.

Chairman ROCKEFELLER. How long is the time between when a veteran's family seeks burial and the time when that burial actually happens? Is that a normal burial time?



Mr. BOWEN. Yes, sir, it is. From the information that I have received from the briefings by the people within the National Cemetery System, and having talked directly to directors of some of our cemeteries in the field, it probably is a couple of days longer than you may expect in a local environment because of the transportation sometime, but there is not a waiting period per se.

Chairman ROCKEFELLER. We all know that the national veterans burial cemeteries are very beautiful, they are very impressive, they are very emotional, they are very august, magnificent. On the other hand, I don't know of anybody in Government who doesn't get complaints. What kind of complaints do you think that you would hear from folks out there?

Mr. BOWEN. One of the complaints that I have heard in the short time that I have been with the Department has to do with placing of individual flags, placing of plants, placing of artificial arrangements, things like that. Within a reasonable timeframe, we ask the families to remove those items, in the summers generally, so the mowing can occur, because this would be an extremely laborious kind of task to remove each and every decoration from a particular gravesite and then match it up afterwards. I think there may be some people who would like to have it a little more personalized, to be able to plant a certain flower or certain kind of grass, to plant a tree, or something like that. But we really can't afford to do that in a National Cemetery because of obvious limitations as far as manpower is concerned and also just the general aesthetic appearance of the cemetery.

Chairman ROCKEFELLER. Sure. Jerry, thanks. I will probably come back.

Mark, I want to go on with what I mentioned about you earlier. You are a career employee and you are young and in a sense you say, OK, I'll take this appointment, and you put yourself at risk. In other words, if President Clinton isn't reelected, what happens? I am interested in that. As I said, I think it is very good for the morale throughout the whole system to see somebody like yourself come up; that's the kind of symbol that we need more of in government. Can you just talk to me about how you came to decide to do this.

Mr. CATLETT. Mr. Chairman, as you have noted, I have been at the VA now for nearly 17 years and have been very fortunate to have the opportunity to assume additional responsibilities over that time. From my perspective, this is the pinnacle of those opportunities at the VA in the profession that I am in, budget and finance, and also IRM. So I look at it as an opportunity, with the confidence expressed in me by the Secretary and the Deputy, to even have a potentially greater influence on some of the activities here and to try to bring the components of the VA together.

We have an organization like most very large organizations, there are normal types of tensions, I'll call it, between staff and line functions. As a staff person, you have to recognize that we're serving those folks who are serving the constituents. I look at it as an opportunity, being viewed as a team player, to come in and to try to bridge some of those differences, some of those tensions that I've spoken to that I believe are very normal. I don't believe we have anything unusual at the VA in that regard. But I see it as a chance

for me to help that process and to make things better in terms of the management of the VA.

As we've noted here, we won't have a lot of additional dollars or FTE to get the job done so we have to find ways to do it with our current resources. I believe we can do that and I think teamwork among the management team from the top to the bottom is important. So I look forward to that opportunity to try to bring some of that team building to the VA.

Chairman ROCKEFELLER. That's great. I notice the presence of Senator Simpson. Senator Simpson has been chairman of this Committee and ranking member and he and his wife Ann are among my wife Sharon's and my best friends. I am always proud to be with you, Senator Simpson. If you have any comments, we have four distinguished nominees here, one of whom I think you may just recognize.

Senator SIMPSON. I do.

Chairman ROCKEFELLER. And we welcome any comments you might have before we continue our questioning.

### OPENING STATEMENT OF SENATOR SIMPSON

Senator SIMPSON. First, Mr. Chairman, I want to thank you for your stewardship in this Committee. I think you are doing a tremendous job. I have observed our friends Al Cranston and Frank Murkowski in the post, and I have done it myself, so I know and appreciate what a splendid job you are doing. I appreciated your letter about attendance. I think it is very important if we can match your energy and spirit, we will make you proud as you are making us proud. Thank you for your work.

I know some of these folks by their reputation and I've read the nominees' biographies. I think that certainly it is a new time with a change in administration and I think the President has made some good choices for the Department of Veterans Affairs. One particular gentleman, Ed Scott, is one I met when I first came to the U.S. Senate. It is an interesting story and I won't lengthen it, but I was a brand new minority, with no staff, and I remember I visited Jonathan Steinberg and Ed. I said, "OK, I have no staff and there is a markup coming—I don't even know what that is—but I do want the bill in order to read it." And they said, "What?" [Laughter.] So I read it and then I said, "Now I want to visit with you both," which I did, and I asked, "What's this? Why is this? Don't give me any partisan guff, don't lay any traps for me, I need to learn and educate myself." And they said, "We'll do that." And they did without a shred of partisanship or seeing who could trick the other one, which we spend a lot of time doing around here. Staff members in Washington spend a great deal of time figuring out how to diddle someone in the other party. [Laughter.] They have forgotten the purpose of their being, which is to legislate and to help us legislate by doing the research, giving us facts. And that is what I watched Ed do.

So I am here just to pay my high personal regard to Ed, a very fair, professional, and fine person. I understand his parents are here and I would just say to you, you have an extraordinarily fine son. Thank you very much.

Chairman ROCKEFELLER. Thank you, Senator. His parents and about half the western world. [Laughter.]

Senator SIMPSON. These folks are all yours then? He used to load the hearings when I was here, too. [Laughter.]

Chairman ROCKEFELLER. I notice also the presence of Hershel Gober sitting right behind Mary Lou Keener. We are glad that you are here.

I want to note for the record that Senator DeConcini submits a statement. He regrets his absence. He is at the Intelligence Committee working on the Bosnian crisis. He would probably be happier here.

[The prepared statement of Senator DeConcini appears on page 59.]

Chairman ROCKEFELLER. Senator Akaka, we would welcome any comments or statements.

### OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Thank you very much, Mr. Chairman. I would like to welcome and offer my congratulations to Jerry Bowen, Mark Catlett, Mary Lou Keener, and Ed Scott, duly nominated by the President to assume key positions in the Department of Veterans Affairs. I would like also to extend my aloha to your families who I am sure have taken up all the seats here today and to thank them for the support they have given each of you up to this point and here on after.

I have gone over your written statements as well as background material you provided the Committee. I must say I am very impressed. Mr. Bowen, as a retired Army officer and combat veteran, you understand the symbolic and emotional importance that interment in a National Veterans Cemetery holds for veterans and their survivors. I know that you share the sentiment that how well we honor the fallen is a measure of our own sense of honor. I don't know how prevalent it is, but in Hawaii we are having a problem with our cemetery, I don't know if you know that, and the problem is traffic.

Mr. BOWEN. Yes, sir.

Senator AKAKA. We are trying to work, and my office is engaged in this too, we're trying to work some things out with the tourist industry so that we can almost regulate the traffic in there. It is amazing the number of people who visit Hawaii who want to visit that National Cemetery. As you know, it is a beautiful one, it has been kept well, and it is a source of pride to us in Hawaii as well as our country. We look forward to working with you even on this or other problems that may come up.

Mr. Catlett, as VA's budget expert, you have a tough job ahead of you. As you have worked in this area for most of your long career of VA, I can think of no one more qualified for the post than you are. We look forward to working with you too.

Ms. Keener, I note that you have a tremendously diverse background as a Navy nurse in Vietnam, as a staffer to my friend and colleague, Don Riegle, as a practicing lawyer, and as an activist on veterans issues. I will tell you that your new job as General Counsel will really, without question, stretch your skills and experience to the

limit. Although you are not a specialist in veterans law, I am sure that you will become an expert on Title 38 very quickly.

Now to you, Ed. I don't quite know where to begin. You have been such a large part of this Committee. Even in the short time that I have been here, it is strange to see you on the opposite side of the room from where you used to sit. Many thoughts come to mind when I think of you and what you have accomplished for the veterans of our country. On a substantive level, few have contributed more to improving benefits and services for veterans. You helped guide our former chairman, Senator Cranston, and all those who have served on this Committee over the years, through countless hearings, floor debates, and policy battles. You played a key role in creating the Vet Center program, establishing the Montgomery GI Bill, in elevating VA to cabinet rank, and forming the U.S. Court of Veterans Appeals. In the last 2 years alone, perhaps the most productive legislative period this Committee has ever experienced, you were the staffer most responsible for revamping VA physician pay, for improving homeless veterans programs, for creating a fairer system of compensation for survivors of disabled veterans, for bringing educational benefits in line with inflation, for heightening concern for minority veterans, and for establishing a program to help treat women who were sexually abused. And working under the leadership of Tom Daschle and Jay Rockefeller, respectively, you helped resolve such controversial matters as Agent Orange and VA drug pricing.

Ed, as you know, the list of your accomplishments go on and on. But what is most remarkable to me is not so much the extent of your achievements, but the grace and sense of balance you brought to your work here. In dealing with many organizations, personalities, each with a different agenda, often on extremely contentious issues, you managed to calm every storm, to soothe every ruffled feather. Your willingness to consider every side to an issue, your ability to rise above partisan and personal concerns, truly elevated the level of debate on veterans issues. By your example, you constantly reminded us of our primary obligation, which is to promote the welfare of veterans.

In this respect, Ed, you are perfectly suited for the congressional affairs position. You are universally appreciated and respected by Congress, the veterans community, and by your new coworkers at VA. Of course, we will miss you here; we will go on here. But I know that you will do an outstanding job at the Department.

So, with that, thank you very much, Mr. Chairman. I have to leave momentarily, but I wish to state for the record that I strongly support these candidates and hope that they will be confirmed with all due speed. Thank you.

Chairman ROCKEFELLER. Thank you, Senator Akaka, very, very much.

Jerry Bowen, let me just ask you one more question. The 1994 budget includes \$500,000 that has been requested for design funds. If VA still plans to move forward with establishing new cemeteries in Albany, Cleveland, Chicago, Seattle, and Dallas, how will these design funds be allocated? How do you go about that? How do you decide how to do it?



Mr. BOWEN. There is a priority that has been established for the new cemeteries—

Chairman ROCKEFELLER. How is that done?

Mr. BOWEN. I cannot give you exact specifics on that, sir. I do know that we have those design funds included in the '94 budget request. I will have to get back with you with a more detailed explanation.

Chairman ROCKEFELLER. OK. Mark, in the prehearing questions which I sent you, I indicated a very strong belief that VA needs to know exactly how much it costs to provide care to veterans. This is going to be even more important with this whole health care reform movement. My sense is that the methods that VA currently uses to measure these costs are inadequate. Your responses to my question suggests that maybe you share that view and that you have some good ideas about how VA can improve the so-called cost accounting. In working with the appropriate VHA and Office of Policy and Planning officials to develop special recommendations about what you would do, could you send your view on this to us here at the Committee within 60 days of your confirmation? Also, I would like to hear you talk a little bit now about questions you have about the cost accounting and ideas you might have.

Mr. CATLETT. Yes, Mr. Chairman. Basically, the VA hasn't had to know what it cost to treat a patient in the system that we've operated in. As you have noted with respect to moving into health care reform, we have to have that information in order to be able to bill the patient, if you will. We are going to be expecting to receive resources from other than the appropriated accounts that we now use primarily to fund our medical operations. VHA has a process underway to evaluate several systems. I have been briefed on that generally over time and we will certainly get back to you in the 60-day timeframe to let you know about the options that we're looking at. I believe, as you have indicated, that we will in the near future have to make decisions so that we have this information. It is vital, I think, for us to participate in health reform as the Secretary has envisioned, and we know a lot of details are yet to come on that, but it is an important matter and it is one that the VA is looking at right now. But we do need to bring the team together and get that decision made. As we are doing that, we will certainly keep this Committee informed.

Chairman ROCKEFELLER. You know, Mark, I think one of the things that makes agencies credible to government or not credible to Government and, more importantly, to the American people, is literally facts and figures. As we were talking before this hearing, I was with Mrs. Clinton in West Virginia last night, and one of the reasons that this health care reform process has taken longer than people expected, than the President and the First Lady expected, is the inability to get hard statistics from Federal Government agencies. Mrs. Clinton has talked about one example where she went to two different sections of the same Federal agency, not yours, but she went to two different sections of the same Federal agency and asked the same question and got two totally different sets of statistical answers. And in other areas fundamental to making health care policy in which the Government needs to have information, although it is mostly private, unlike the VA system, statistics just don't exist. For

example, the Federal Government stopped collecting the cost of health care statistics from States 11 years ago. So this whole question of credible statistics I think is really, really important. And I think that's the way people come to trust an agency. So that instinct on your part for getting the right statistics and accounting I think is important.

In fact, it is very interesting to hear you say that you would have trouble finding out, let's say, cost statistics in a single payer system. This is just the Government and veterans, there's no third party payers or anything of that sort, but you are still saying that is a problem there getting the right figures.

Mr. CATLETT. Yes, sir. And as well as that initiative, the basic accounting system for the Department, which would be the basis for all this information, is being replaced and that has been underway for several years and it is a multiyear effort. We will be completing that, hopefully, in the next 2 to 3 years. It is a massive effort. We have an accounting system that is over 30 years old at the VA.

Chairman ROCKEFELLER. What does that mean, an accounting system that is 30 years old? I just don't understand that phrase.

Mr. CATLETT. The basic system and the software that we use was developed in the 1960's and what you have is a system largely undocumented in terms of when it comes time to make changes in that system as well the inability to make swift changes and to react to what is going on. With or without health reform, we have changes every year in the legislation that passes in terms of the way we fund things in the system we now have. We have a system that can't react to that. And so we end up maintaining some records off of the main system on the side or on a PC even in some of the smaller programs and when it comes time to try to look at everything and combine it, you have difficulty. It takes a lot of staff time and a lot of errors exist in that.

So we want a system that has been approved across the Government for basic accounting so that when you go, as you have indicated, to three or four different places in the VA you will get the same answer to that question because we will have an integrated system in which it will be supplying all the data from one central source.

Chairman ROCKEFELLER. How far behind an average large business would you think that the computing system and equipment is in the VA?

Mr. CATLETT. This would be a very general answer. We are behind for sure in that regard but I—

Chairman ROCKEFELLER. The technology, would it be 5 years, 10 years behind?

Mr. CATLETT. I would say in that range, Mr. Chairman.

Chairman ROCKEFELLER. And that's because there just hasn't been the money to get it done or there hasn't been the decision to do it?

Mr. CATLETT. I believe I would answer that it has been both situations. Basic accounting, as we have looked at dollars and in competing for dollars, is one of the things that you get to last when you are making allocations. It is something that has required focus across the Government that to say 2 or 3 years ago it is time to do

that. It is not just the VA that experiences this, as you know. Across government, we are seeing these basic systems being replaced.

I am encouraged by the National Performance Review that the Vice President is leading in which this need is getting a lot of attention there. Some of the basic services of our government. When it comes to meeting veterans' needs and meeting those basic systems needs, that is second tier in terms of the competition. And I think that is as it should be, obviously, when competing with needs for providing direct service. But we need to do a better job just to maintain the confidence and the support of the American public at large as well as our veteran population.

Chairman ROCKEFELLER. I think that is another great aspect of the fact that you come from within the VA, that you've been there all these years, because you have as a soldier, so to speak, experienced all of these things, been frustrated by all of these things, but haven't been in a position to make noise either to the leadership of the VA or, if they're not listening, to come here and make noise to us. It makes me very happy that you come from the system because you really know what is wrong and what you have been wanting and needing all these years, and now you are in a position to fight for it and get it done.

Mr. CATLETT. As I said, we have some opportunities ahead of us for sure.

Chairman ROCKEFELLER. Well, I am really proud of you, Mark. It is just great.

Mary Lou, I don't think I have ever met somebody who was both a nurse and a lawyer.

Ms. KEENER. There are lots of us, Mr. Chairman.

Chairman ROCKEFELLER. Really?

Ms. KEENER. Yes, sir. I think there are several working here on the Hill.

Chairman ROCKEFELLER. That's interesting. I just never have met one before. That's great. In one of the questions that I sent you before about the relationship that you anticipate that the Office of General Counsel will have with other components of the Department of Veterans Affairs, such as the VBA, VHA, and the National Cemetery System, you indicated that you "plan to work closely with all components of the Department," which is obviously good. But the key to making sure that happens would, it seems to me, be in getting the other components to want to have such a relationship with your office; that's not just you with them, but them with you. I am not sure, and I'm not knowledgeable but I'm not sure, that that is always the case. How are you going to go about that sort of effort of marketing your office or making your office count and have a heavy hand within VA?

Ms. KEENER. Mr. Chairman, it is my understanding that good relationships currently exist between the Office of the General Counsel and other Department components. If there are problems, I'm not aware of them at this time. It's my belief that the General Counsel, as the chief legal advisor to all VA components, should focus on service. The Office of the General Counsel is the law firm that provides service to all these offices and individuals. It is my hope that

we can market ourselves to them in this manner and convince them that we are there to provide services to them and for them.

In keeping with the Government's emphasis on TQM (Total Quality Management), we need to coordinate our efforts to include service to clients within the Department as well as in the veterans community. Also, by offering our services in a proactive, rather than reactive way, we can help to prevent legal problems before they occur.

Chairman ROCKEFELLER. Could you also let me know if the VA contracts outside the VA for legal opinions in any way as opposed to using VA staff? If the answer is, yes, they do, I am not sure that is a terrible thing, but I would be interested to know.

Ms. KEENER. At this particular time, Mr. Chairman, my only knowledge regarding the use of contract attorneys is limited. However, we do use them in some of our district offices because of the overwhelming nature of real estate loan guaranty matters that district counsels have to deal with. However, I do not know to what extent or for what other purposes those attorneys are utilized. We would be happy to share that information with you in more detail.

Chairman ROCKEFELLER. Good. Thank you.

I worry a lot, in my general worry about health care, about malpractice and the whole question of handling all of that. I asked you a prehearing question about that and you indicated that you believe that health care providers and facilities should focus on preventing medical malpractice claims, and that's obviously true and I agree with that. One of the ways that takes place is that a lot of physicians practice defensive medicine, and by practicing defensive medicine they add to the cost of health care because they do many more tests than they would otherwise do because they are afraid of being sued. All of those costs, or many of them, could be avoided if providers had a better understanding of the standards of care that they are expected to provide called "Practice Guidelines."

I believe the VHA could benefit from your experience as a health care provider in this area; in fact, I know it can. In fact, I think it is almost a perfect combination to be a health care provider and to be the chief legal officer for the VA; it is a perfect combination. Would you please work with the appropriate VHA officials to review how the educational programs regarding medical malpractice issues work and how practice guidelines are provided, how they get known within the single payer system that we call the VA health care system, and how you would improve those or change those guidelines? And could you get back to us within 60 days or so of your confirmation? That would just be extremely helpful to me as Chairman.

Ms. KEENER. Yes, sir, I would be happy to do that.

[The information requested appears on page 174.]

Chairman ROCKEFELLER. I work very hard on health care and this whole thing is very important. It is very interesting that in the health care reform debate, one of the things that I keep reminding people is that VA in certain areas provides health care at 30 percent less per capita than does the non-VA system. This is one of the intriguing things to a large number of Senators and Representatives; I am not one of them particularly, but philosophically I am not troubled by a single payer system, but this is one of the things they point to, that



the VA can do it for less. That is going to be one of the interesting things when we do have national health care reform: What will veterans do who now do not use, because they may not be eligible, let's say, the VA system hospitals—will they bring their funding streams of insurance money into the VA system because they can get care at less cost? This is one of the very interesting things that we're going to see.

It was either Senator Akaka or Senator Campbell that referred to your interest in Agent Orange. Pursuant to the Agent Orange Act of 1991, the National Academy of Sciences' report on Agent Orange is due in July. NAS will detail its views on the current scientific understanding of relationships between exposure to Agent Orange and disabilities or diseases. This is one of the really controversial issues.

I ask that you review the law to appreciate fully the requirement in that law that the Secretary exercise something called "independent judgement" after considering the NAS report in deciding whether to service connect certain diseases related to exposure to Agent Orange. I think it is clear under the act that the Secretary is not supposed to merely rubber stamp the NAS report, either as to conditions that the report says are not related to Agent Orange or as to conditions that the report says are related. So could you take a look at that law and report back, if you can, within 10 days after you are confirmed—there is a reason for that—on your interpretation of the Secretary's responsibility to exercise independent judgement in making the service connection decisions required under the law?

Ms. KEENER. Yes, sir. I am somewhat familiar with the Public Law that sets forth the Secretary's responsibility. I would be happy to report more detailed information back to you.

[The information requested appears on page 167.]

Chairman ROCKEFELLER. Thank you very much. Another question. In response to another prehearing question about the level of funding for the Office of General Counsel, you indicated that you were not prepared to address staffing and funding issues unless you were confirmed, but that if you were confirmed you would make such an evaluation a priority. Well, I think you are going to be confirmed, so would you agree to report back within 30 days of your confirmation with your views on the adequacy of funding for fiscal year 1994?

Ms. KEENER. Yes, sir, I would be more than happy to do that.

Chairman ROCKEFELLER. And please note specifically what functions of your office will be cut back or eliminated in the coming year if no additional funds are forthcoming, and also advise the Committee of what initiatives you would begin or expand if there were more. This is just a way of saying let loose on your budget.

Ms. KEENER. And on my creativity?

Chairman ROCKEFELLER. That's right.

[The information requested appears on page 171.]

Chairman ROCKEFELLER. One more question to you. On the issue of claims adjudication, which you identify as one of your priorities, could you also within 30 days of confirmation provide the Committee with your views on the overall issue of the claims adjudication process within VA and how that should be addressed? I am not

asking for final answers but rather for a sense of how we should move forward. This is going to be a very top priority of Senator Murkowski and myself. We want things to move forward.

Ms. KEENER. I think it is safe to say, Mr. Chairman, that this is certainly a priority of Secretary Brown's and the Department's also. We are all going to work very hard to improve the claims adjudication process, and I would be happy to provide you with more specific information on that question also.

[The information requested appears on page 173.]

Chairman ROCKEFELLER. Great. Thank you very much, Mary Lou Keener.

Ms. KEENER. Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Ed Scott, I tremble even to ask you a question. [Laughter.] Why don't you just give me the answer and then I'll go ahead and think of some question so I don't look too stupid. [Laughter.] You said in your statement something which impressed me about the extent of the Federal Government's obligations to our veterans and especially your statement that, "First and foremost, the Nation must respond to deaths and disabilities incurred in service." I agree wholeheartedly and think that we must keep this in mind in the months and the years ahead when the demands on the Federal budget are just going to get worse. I just think we're looking at a decade or more of more pressure. I think that's a fact of life. Any thoughts on that?

Mr. SCOTT. Undoubtedly, the Department of Veterans Affairs will be facing tremendous priority choices in the coming years as the Department has been facing priority choices in the recent past and is doing so today. I would be honored to participate in helping the Department and in helping the Department work with the Congress to set those priorities. I think it is clear that the very top priority is for those who were disabled or killed in battle or otherwise during their service and for their families. So that is basically where I come from on that issue. I look forward to working with you folks on how we resolve it as the deficit looms ever larger and we all have the task of bringing it down.

If I could just for one second say how deeply touched I am by the more than generous remarks of yourself and Senator Simpson and Senator Akaka, all of whom I had the great privilege of working with here on this Committee. It was very, very typical of the kind of feeling that I always experienced here to have them say such kind things this morning and I am deeply touched by it.

Chairman ROCKEFELLER. Ed, Senator Murkowski and I sent out a letter, and Senator Simpson referred to it, that we're beginning to grow impatient with attendance, as John Moseman and Jim Gottlieb both are. This is one case where I think it is probably good that there weren't a lot of members here because you would have heard so much about you that was so good that we might have been here until 2:30 in the afternoon. And that is genuinely felt. People just respect you so much.

One of the things that Frank Murkowski and I want to do is to make this even more nonpartisan as a Committee. One of the things that I want to do also is to improve even more the working relation-

ship between the House and the Senate so it is not just Republicans and Democrats but House and Senate, and that has not always been the most perfect working relationship. And then in an agency as huge as the VA—people just have no concept of 250,000 people working for the VA all across this country—the first thing we have got to do is do our work well here in Washington because if the communication isn't right here, then it just gets worse and worse as it gets out into the field, and that begins to hurt veterans and we don't want that.

You have observed from this side of the table for years now the congressional liaison with the Senate and with the House, and I just wondered if you had any observations or thoughts about how that could be improved or where you have seen examples where things have come afoul when they didn't need to just because the communication wasn't there, either because of us over here or you over there. Just any thoughts you might have on that.

Mr. SCOTT. My first thought, Mr. Chairman, is that Secretary Brown and Deputy Secretary Goyer fully share your view of moving toward very, very close bipartisan working relationships in the 103rd Congress and are very, very pleased at the emphasis you are placing on that and on working relationships between the Senate and the House.

As Assistant Secretary for Congressional Affairs, if confirmed, I certainly would be very, very happy to work in that environment of very positive attitudes among the various parties involved in veterans issues. Obviously the issues are enormous before us with health care reform just around the corner, with Agent Orange coming back to us this summer as an issue to deal with, and with other great issues facing the veterans community. It is absolutely a cause for great enthusiasm that people are sitting around the table expressing a desire to work in a cooperative way across party lines and across the divisions in the Capitol. The executive branch I hope certainly wants to be a player in that sense as well, and I appreciate your leadership in this.

Chairman ROCKEFELLER. Well, you'll be great. You'll be just great.

I really am just so proud of all four of you. You have got such incredibly hard jobs. I look at you, Mark, and I am just thinking that you are sitting here smiling now and what's it going to be like 2 years from now. [Laughter.]

And, Ed, there's the whole question of how are we going to get ourselves out of gridlock in Washington, DC, with the executive branch and the legislative branch. It is what the people hate; it is why they don't vote. We have just got to do that and you'll be helping and I'll be doing my part.

Mary Lou, just all the problems of the world are going to land on you. There's lot of controversy in your job and yet you have got the right stuff, it is just very obvious, and I am really, really proud of you.

The same thing with you, Jerry. Most people don't know that much about the pressures within the National Cemetery System. They don't hear about the emotions that can be involved with some of the controversies and difficult decisions that you will have to be making if confirmed, which I am sure you will be.

So I just want to tell all four of you that I really respect you for being willing to do this work. You always have the choice in life to stay away from government, stay out of the line of fire, but you each have agreed to do this work and I think you are all going to be confirmed very, very easily. So I am proud of you and I congratulate each one of you.

Chairman ROCKEFELLER. This hearing stands adjourned.

[Whereupon, at 11:49 a.m., the Committee was adjourned, to reconvene at the call of the Chair.]



# **NOMINATION OF VICTOR P. RAYMOND TO BE ASSISTANT SECRETARY OF VETERANS AFFAIRS FOR POLICY AND PLANNING**

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**THURSDAY, JULY 1, 1993**

U.S. SENATE  
COMMITTEE ON VETERANS' AFFAIRS  
*Washington, DC.*

The Committee met, pursuant to notice, at 10 a.m. in room SR-418, Russell Senate Office Building, Hon. John D. Rockefeller IV (Chairman of the Committee) presiding.

Present: Senators Rockefeller, Akaka, Thurmond, and Simpson.  
Chairman ROCKEFELLER. The hearing will come to order.

Senator Thurmond, do you have a statement that you would like to make?

Senator THURMOND. I thought I would make a brief statement.

Chairman ROCKEFELLER. You go right ahead, sir.

## **OPENING STATEMENT OF SENATOR THURMOND**

Senator THURMOND. Mr. Chairman, it is a pleasure to be here this morning. I join the Chairman and the members of the Veterans' Affairs Committee in extending a warm welcome to the nominee, Mr. Raymond, as well as to his family, friends, and guests who may be accompanying him. I am pleased that the President has nominated a person of experience and ability for the position of Assistant Secretary for Policy and Planning at the Department of Veterans Affairs.

Mr. Chairman, this nominee appears well qualified for the position to which he has been nominated. He has a strong connection with the veterans he will serve. Mr. Raymond served as an Air Force officer with Vietnam combat experience as a B-52 pilot. He also served most ably on the staff of this Committee as well as the U.S. House of Representatives Committee on Veterans' Affairs where he was staff director of its Subcommittee on Hospitals and Health Care.

Mr. Raymond has significant education experience in policy and planning. He holds a doctorate degree in operations research and has years of experience in policy analysis particularly as related to health care issues. Finally, Mr. Raymond has substantial experience in the Department of Veterans Affairs where he now serves as an Acting Assistant Secretary. I believe he will serve as well in the future as he has in the past.

Thank you, Mr. Chairman, and I look forward to reviewing the testimony presented by the nominee.

[The prepared statement of Senator Thurmond appears on page 197.]

Chairman ROCKEFELLER. Thank you very much, Mr. Chairman.  
Senator Simpson.

### OPENING STATEMENT OF SENATOR SIMPSON

Senator SIMPSON. Mr. Chairman, I thank you. I know that man. I remember him. He served this Committee with distinction and I am very pleased to see this nomination take place. You will be serving as Assistant Secretary of Veterans Affairs for Policy and Planning. You have an impressive background, which I am aware of. I look forward to visiting with you where we can talk about some of these issues. Sometimes there is so much "high-tech" stuff here and discussions of things like "integration" and "integral" that no one ever gets anything done. You will get things done—I have a hunch you will. Anyone with a background of going to Cheyenne Central High School in Wyoming, as this fine man has done, has a clear-eyed sense of logic and common sense. [Laughter.] I know you will do your very best in your day to day activities because there are a myriad of issues. I look forward to visiting with you and I certainly commend you and I am very proud to see you take another step forward in your professional career. It is very heartening.

Thank you, Mr. Chairman, very much.

Chairman ROCKEFELLER. Thank you, Senator Simpson.

Just before I make my remarks, I want to say that the former and first Chair of this Committee, Senator Vance Hartke, called himself to say that he endorses some guy named Dr. Raymond without any reservations. That's a very nice thing to do.

Senator SIMPSON. I'm sorry, what did you say?

Chairman ROCKEFELLER. Vance Hartke called just to say that he endorsed Dr. Raymond.

Senator SIMPSON. He was the one that kind of got this Committee started, wasn't he. I wonder if he knew what he created? [Laughter.]

### OPENING STATEMENT OF CHAIRMAN ROCKEFELLER

Chairman ROCKEFELLER. At the outset, I apologize to my colleagues, but there are a few things I really want to say before we do the oath. I note for those of you who may be here for the Committee's markup that had been scheduled for this morning, that has been rescheduled for July 15 at 2:30 p.m. We will go directly to the Committee hearing now to consider the nomination of Dr. Raymond to be Assistant Secretary for Policy and Planning.

Vic, obviously I think you recognize from the three of us here that we feel very good about your being here. You have been in this room countless times—when Al Simpson was Chairman, as a House Committee staff member for many meetings and negotiations sessions, and in many meetings as a VA employee. So this is hardly a new experience for you. Still, it is a new experience for you to be here for a confirmation hearing and I am very happy that you are here.

I am also sorry that your nomination got delayed in coming forward, but that is history and the point of today is to look to the

future. I heartily congratulate you on your nomination. I think the job you have been nominated for and which you have been filling on an acting basis for some months—Assistant Secretary for Policy and Planning—is enormously important in a whole variety of ways. I know that you know that I have a very strong interest in the role you and your office will play in health care reform. I think that is really a huge subject. I think people in this country underestimate the gigantic nature of that whole area and the repercussions everywhere, so we are going to have to be very aware in the VA system. I am also very interested in the many other exciting areas that your office works on which we will get into during our question period today.

I was struck in your background by how your various experiences have prepared you so well for this very key position. Your work here in Congress which has been both bipartisan and bicameral, surely an unusual combination, gives you a very fine grounding in understanding the art of give-and-take that is so important to getting things done here. As I have said before and I will say again, I want desperately for us to be bipartisan in this Committee.

Your stint with the Mission Commission was obviously a key opportunity for you in health care. Certainly your graduate training in operations research, which relies so heavily on the importance of quantitative information, will be invaluable in this role. And as I explored a little bit farther back in your life, I came upon what seems to be a very, very key learning experience with a lot of relevance to this position, that is, that you were a B-52 pilot. As anyone who has ever watched one of those babies prepare to take off, the possibility that it will get off the ground always seems remote until of course it does, which is kind of the way it often is with new initiatives—perhaps even with the President's own health care reform initiative. It is going to be a heavy load to lift off. But B-52s do fly and you know all about that, and the same is usually true here when people of good will work together.

So, that should give you confidence as you tackle health care and the other seemingly impossible new initiatives as people come to you for more when there are less resources available, something that former Chairman Simpson whispers into my ear at every possible occasion: "If you are Chairman, Jay, you will find out just how tough things really are." And of course, as usual, he's right. It is also possible that the skills you developed in terms of high altitude precision bombing may prove to be very useful in the weeks and months ahead.

You have a wonderful opportunity to serve the veterans of this country. The President has placed his confidence in you. That, in and of itself, I think, is quite wonderful when you have the chief person in the country say, "I want you to do this thing for me and for our country." It is a wonderful feeling.

I want your nomination to go forward in a timely manner. July 15 is now the date for our next markup. We will act on your nomination in the markup so as to allow Jesse and Hershel to have the opportunity to have the benefit of your full participation on the team as soon as possible.

In closing, I just note for the record that you have completed the Committee Questionnaire for Presidential Nominees and responded to my prehearing questions, all of which will appear in the record. Also included will be a letter from the Office of Government Ethics acknowledging that you are in compliance with laws and regulations governing conflicts of interest, by which I assume that you are a poor man. [Laughter.] I have reviewed the FBI report on you and find no bar to your confirmation. I will insert in the record of today's hearing a statement in support of your nomination from my good friend and your good friend and my counterpart, House Chairman Sonny Montgomery, which is a very nice touch.

[The documents referred to appear on pp. 198-222, and pp. 230-231.]

[The prepared statement of Chairman Rockefeller appears on page 195.]

Chairman ROCKEFELLER. Senator Akaka, do you have any comments, sir, that you would like to make?

### OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. I certainly have, Mr. Chairman. Thank you very much for recognizing me. Mr. Chairman, I would like to join you and my good friend across the table here, Senator Simpson, in welcoming Vic Raymond to today's hearing and to congratulate you, Vic, on your nomination to be Assistant Secretary for Policy and Planning. While it has always been an important position, the policy and planning slot is even more critical today in view of the need to integrate VA with national health care reform. I am relieved that Secretary Brown chose such a talented professional for this key post.

Vic, I hope it is all right that I call you that, is obviously well known to most of us here having worked on the staff of this panel as well as the House Veterans' Affairs Committee before leaving to take up new challenges at the Department of Veterans Affairs, including a stint as Deputy Director of the Mission Commission. Since his appointment as Acting Assistant Secretary in addition to his other duties, Vic has been the Secretary's principal health care advisor and chief liaison to the President's Health Care Reform Task Force.

The first opportunity, Mr. Chairman, that I had to work with Vic was when he accompanied me on an oversight visit to Hawaii several years ago. I was struck at that time by his grasp of veterans health care issues and since then my admiration for his knowledge and abilities has only increased. Just last month, Mr. Chairman, Vic and I had the opportunity to renew acquaintances when I invited him to my office to meet with representatives of interested Members and the minority veterans community to discuss implementation of the Chief Minority Affairs Office Act. I should report that we found him to be refreshingly open to the unique problems of access and service deliveries experienced by minority veterans, an attitude which I hope will become a hallmark of the new administration.

Thank you, Mr. Chairman. I fully support Vic's nomination. He is a superb choice for Assistant Secretary for Policy and Planning. I hope that we can move his nomination quickly. We need Vic to be working in his official capacity as soon as possible.

Mr. Chairman, I have a few questions for Vic which I would like to ask at the appropriate time.

Chairman ROCKEFELLER. Of course. Thank you, Senator Akaka.

As you know, Vic, in the tradition of this Committee, before we do this, we have an oath. So if you would, please rise and raise your right hand.

Do you swear or affirm that the testimony that you will give at this hearing and any written answers or statements you provide in connection with this hearing will be the truth, the whole truth, and nothing but the truth?

Mr. RAYMOND: I do.

Chairman ROCKEFELLER. Thank you.

Dr. Victor P. Raymond, we welcome your testimony, sir, and welcome you here.

### **TESTIMONY OF VICTOR P. RAYMOND, NOMINEE TO BE ASSISTANT SECRETARY OF VETERANS AFFAIRS FOR POLICY AND PLANNING**

Mr. RAYMOND: Thank you very much, Mr. Chairman and members of the Committee. I am pleased to appear before you to present myself for your consideration for the position of Assistant Secretary of Veterans Affairs for Policy and Planning. I very much also appreciate the kind words that you have spoken. I may have to make some copies of this testimony and pass it around just to let others know that it was said. [Laughter.] I also very much appreciate the confidence shown in me by President Clinton, with support of Secretary Brown and Deputy Secretary Goyer, in nominating me for this position. It is certainly an honor but, as you suggested in your remarks, it also gives me an opportunity to contribute in a new way to the achievement of the missions of the Department of Veterans Affairs and I hope some of the objectives that our Nation is about. I think I will be able to bring together in a new combination my military experience, academics, research, and my experience here on Capitol Hill with the work in the Department.

Being in this room, as you suggested, also brings me full circle. I began my involvement in veterans affairs in 1982 in this very room. It was my first exposure to the congressional hearing process and I was sitting up there in the corner. Since that time I have enjoyed a personally satisfying and I think productive relationship with the members of the staff of this Committee and the personal staff of the Members. I have had the special privilege of working with all of the Members who are here this morning on an individual basis on some of their concerns. There have been complicated, often emotional issues that arise in providing services and benefits to veterans and if I am confirmed, you show me that honor, I would expect that kind of relationship would continue. I also believe that the best policy is made by people sitting around and discussing in an open way.

During the past few months I have served as Acting Assistant Secretary for Policy and Planning and I was asked by Secretary Brown to coordinate VA participation in national health reform. One of the most exciting things for me in that role has been to show to people outside of the veterans community the kinds of contributions



and new knowledge that come from the VA system which is national and somewhat centrally organized, and to show that the direct benefits to veterans also have indirect benefits to the Nation. I expect that the Vice President's Task Force on Performance Review and some of the other national initiatives that VA is now being included in will give that same opportunity, and I look forward to Policy and Planning being able to contribute to those efforts.

My time spent in this position has also reinforced my notion that, notwithstanding the name "Policy and Planning," which suggests that somehow there is going to be a great decision czar sitting someplace in Central Office, in fact we are all best served by informed cooperation between and among the executive and legislative branches, veterans and their advocates, and citizens. And my job, as I would see it if confirmed, would be to provide for the Office of Policy and Planning the direction and support that will make it an integral part of that process.

Again, I very much appreciate this opportunity, and I am prepared to attempt to answer any questions you may have.

Chairman ROCKEFELLER. Thank you very much, Vic, for that.

Is there anybody here with you that you want to introduce?

Mr. RAYMOND. My family was unable to be here.

Chairman ROCKEFELLER. OK. Well, there is one fellow that just walked in. I think he is familiar. [Laughter.] He is from Omaha, NE; isn't that the place? [Laughter.]

Mr. GOBER. Somewhere between, sir.

Chairman ROCKEFELLER. Yes. Very glad to see you, Hershel.

Vic, at the outset I note the excellent work that you have done as Secretary Brown's representative on the White House Task Force on National Health Care Reform. Generally speaking, I think it can be said that the VA has really been very well represented on that Task Force. I have some questions related to that.

First, so that there will be a record here in the Committee of their work, would you mind submitting for the record of this hearing a list of all the VA employees who participated in the Task Force, together with some identifying information and information on what they did on the Task Force.

Mr. RAYMOND. I would be delighted. I would just like to say that the work and the effort and the dedication through some very long hours of these three dozen or so VA employees was really extraordinary. I think they represented the Department and themselves very well. I would be delighted to provide that.

[The material referred to appears on page 223.]

Chairman ROCKEFELLER. Am I correct in saying that VA was the most represented of all groups on the White House Task Force?

Mr. RAYMOND. Yes, sir. In fact, Mrs. Clinton commented that among the departments, we had the most actual employees and the most diverse selection of professionals. We had physicians and nurses and therapists and I think that added a great deal not only to the Task Force but to the image of VA.

Chairman ROCKEFELLER. Thanks. My question is what is your sense of the timetable for the release of the Task Force work and, most specifically, the VA part of that?

Mr. RAYMOND. You probably are better equipped than I to make those projections. From what Mrs. Clinton has said and Mr. Magaziner, who is the staff director, I would expect that as soon as the Congress finishes its work on some of the budget matters that they will be ready to move forward. I think that will be the main timing issue. I hope personally that the VA part is an integral part, with deference to Senator Simpson, of the whole effort. I think it is absolutely essential for the Nation and for the Department that we move forward as part of the President's initiative.

Chairman ROCKEFELLER. Once the actual work on implementation of that recommendation begins, how do you see your office working on the reform effort and, most particularly, working with the VHA and the new chief medical director?

Mr. RAYMOND. I hope it will be in the same kind of manner that we have been working in support of the Task Force itself. We collectively get together, the current Under Secretary for Health and his senior people as well as the Central Office staff and the Policy and Planning staff and general counsel, and, in fact, made quite a collaborative effort. We're starting already as a department to do some things we can. Obviously until the details are announced, we can't do specific implementation but we're beginning to do some general research into some of the implications of some of the options, begin making sure that our data sources and information sources are consistent and available, and basically getting ourselves organized to face what I think is going to be a very interesting but a very intense period of time as the Congress debates the issues.

Chairman ROCKEFELLER. The data question is so important, isn't it?

Mr. RAYMOND. Yes, sir.

Chairman ROCKEFELLER. And hard to get at. There were a number of times when the First Lady had questions and she needed answers. I remember one case where she went to two different sections of HHS with the same question and got totally different answers from each section. Data is just so incredibly important in terms of being a building block for policy, and it is too often fobbed off, but it can't be, can it. You have got to be right.

Mr. RAYMOND. I believe you are exactly right. One of the things that we have done in Policy and Planning in support of the Secretary and Deputy Secretary is to create what we are calling a National Center for Veterans Analysis and Statistics. It isn't so much of a data generating event as it is to get together and agree on the assumptions that underlie the numbers and acknowledge where gaps exist and perhaps will always exist. It seems to me that oftentimes over the years as I've been around here we spent a lot of time arguing about whose numbers were correct—you know, my numbers are better than your numbers or my methods are better than your methods. There wasn't then very much time or emotion left over to deal with the real issues. So I believe that the contribution from the Center, which is actually being directed by a fellow who was a former comptroller of the VA before it was a department, is in very good hands. He also experienced the Mission Commission and the frustration that the

commissioners had about having good data. So I think we're headed in the right direction and I think it may be the most important piece.

Chairman ROCKEFELLER. Let me follow directly on this with a question about the National Center for Veterans Analysis and Statistics. I totally believe in this. Can you describe a little bit the databases that will be created or managed by that Center and how will the Center develop, coordinate, and update data and the resources that the Center will be working with?

Mr. RAYMOND. The first part of your question is easier than the second part. The first task is, in fact, making a list of the databases that exist. Those include the outpatient database from the Veterans Health Administration, the hospital databases, and the Survey of Veterans, which with some improvements we have made this year is going to make it possible to directly compare with census data and to compare with some of the HHS databases because of a slight change in the way we ask questions. We also have a wonderful opportunity that we're taking advantage of to work with the Association of Health Services Research, which jointly with the VA is putting on a conference on just this topic. There are a number of sources of information where you need to know who did it to know that they exist. So our first step is to pull it together.

What we're hoping to do with our information resources management folks under Mark Catlett, whose nomination you considered a month or so ago, is to make sure that our—

Chairman ROCKEFELLER. Good West Virginia boy.

Mr. RAYMOND. Yes, sir.

Chairman ROCKEFELLER. That was said for the Deputy Secretary's purpose. [Laughter.]

Mr. RAYMOND. So I think that we're in very good shape to make what sounds like a very basic step but needs to be done first, and that is to make a list and identify overlap and gaps.

The second part, I am enthusiastic about the kind of team spirit that the Secretary and Deputy have brought to the VA. There isn't the old days of turf consciousness that I remember hearing about and seeing. People are in fact sitting down and saying, look, we need to do this, here is what I have got to offer. I think that kind of opportunity to actually build a central kind of database or at last a central way to access data in the VA is really essential and I am excited about it. How you do it exactly is a process of trial and error, I'm afraid.

Chairman ROCKEFELLER. Let me follow up on that a little bit. One of the things you are working on which I am very happy about is trying to get consensus on the assumptions about data and about methodologies in connection with eligibility reform.

Mr. RAYMOND. Yes, sir.

Chairman ROCKEFELLER. It would seem to me that it is vital to have an agreement on the various assumptions so that when the actual reform effort begins, estimates of impact, both in terms of demand and the cost of meeting the demand, will be uniformly accepted. Do OMB and CBO agree with the assumptions developed by your office? And what has been the involvement of the VSO's in that effort?



Mr. RAYMOND. It is always dangerous to speak for the Office of Management and Budget and CBO, but we have included them in the process so in fact we have been able to adopt some of their criticisms and suggestions. So I think in fact we're together. At the very least, they understand what our assumptions are and I think that is a step in the right direction. They would have to speak for themselves I guess. At the same time with the veterans service organizations, a number of them have some pretty good data collection efforts and views themselves and we certainly have included those.

My view of all this stuff is that you need to ask and include and give everybody an option to contribute, criticize, agree, or you fail in the end because they will come in after the work is over. So with the support of the Secretary and Deputy Secretary, we have been able to do that and I think we all win.

Chairman ROCKEFELLER. Just let me make one observation and then I will yield to Senator Akaka. I just read an astounding statistic in the paper the other day: For the first quarter of this year, public and private health care inflation in this country has gone from 14 percent down to 7.4 percent. Just consider what that means. I think the reason for this is the prospect of health care reform. But think of the implications. People have said no, we can't do this, this isn't going to work in the health care system. Doctors are saying we're not business people and we're not going to make cost decisions that affect the general public or the general budget; we deal with patients. Everybody is saying no, it can't happen, you're going to take away our profits, you are going to reduce our salaries, income, and so on. And then here, with absolutely nobody saying anything, but just within the private sector, given the prospect of health care reform, health care inflation is cut in half, at least for the first quarter.

Now cynics will say, yes, but we saw that back when Nixon did that and it went right back up, and they tried that in the Carter administration and it went down and then right back up again. But the difference this time is that there wasn't any architecture for cost containment, there wasn't any architecture for health care reform, there wasn't any plan to do things differently. It strikes me as extraordinary, Vic, that all by itself, each sector not understanding the other sectors were doing that, that on an aggregate basis they cut in half the rate of inflation in health care. It is absolutely extraordinary. It just says to me that all kinds of things are in fact possible. In fact, that statistic is dangerous now because it is being used by some to say, "Look, we don't need to have health care reform, because we're doing this already." Of course, the difference is that it would go right back up again absent some kind of an architecture that follows that. That is just an observation I make because it interested me.

Mr. RAYMOND. I think you're right. One of the things that I think has been a distinct profit from the national health reform attention is that more and more people understand better and better how complex this is. Even for those of us who have spent some time in the field, to actually sit down and try to take into account in some simultaneous fashion the 50 or 60 or 70 variables that are involved in trying to control health care costs has been really eye opening. So

I think we have got an education effort for public as well as professionals.

Chairman ROCKEFELLER. Absolutely.

To the ever present Senator Akaka, I am delighted to yield.

Senator AKAKA. Thank you very much, Mr. Chairman. Thank you for the opportunity of raising some questions with Vic.

Vic, as the prospective Chief Minority Affairs Officer, or CMAO, you will be the Department's lead on issues affecting female and minority veterans. Can you tell us what priority the Secretary assigns to the CMAO?

Mr. RAYMOND. I think I can quite safely and honestly tell you that it is right on the top of his list. After I had come back from your office, he wanted to know what we had done and he has asked specifically to be involved in the setting up of the office and I think he is going to be a regular participant directly in the process.

Senator AKAKA. I am interested in your personal feelings of how you feel about your qualifications. What is your background and experience that qualifies you for this position? In other words, how can you assure us that you possess the necessary sensitivity toward minorities?

Mr. RAYMOND. In a structural way, it seemed to me that the content of the letter that you and some of your colleagues sent over asking for the Chief Minority Affairs Office to be put in Policy and Planning seems to suggest where my direct background would help. I think I have shown some success in being able to listen either to constituents on the Hill or listen to other employees at the Department and some of your own staff and bring together at least a list of issues or concerns that we can agree on and move forward. The background in providing some numbers, as Senator Rockefeller and I said, to begin to lay out the dimensions of the problems I think will help so that we have at least an idea of what we're talking about.

With regard to my own personal feelings, I believe that having been associated in veterans issues for some time and watching some of the difficulties particularly that some disabled veterans have had and some of our minority veterans, as they came to talk to the Congress about their concerns, has certainly educated me that there are problems. I can offer you that awareness. Also at that first meeting that lasted 2 hours in your office, I think that we had a good discussion. My sense of the people in the followup calls they made was that I at least seemed to listen and to be concerned. And so what I offer you is that evidence.

Senator AKAKA. I would like to also have a sense of where VA intends to go with CMAO. I know that the CMAO function was only recently assigned to your office and that no final decision has been made with regard to staffing and where it fits on the organizational chart. Will the anticipated staffing levels be sufficient to enable you to carry out the CMAO's statutory mission to evaluate policies and programs with respect to minority needs? Can you give me a ball park figure of how many staff you will need for the task?

Mr. RAYMOND. I have discussed with Mr. Gober our tentative plan and the Secretary has asked specifically to approve it. We are talking in terms of the immediate office about four or five. But let me tell you the modification that I think will help this move along better. One of

the issues raised at the meeting in your office and then when we talked with Secretary Brown's senior staff about how we might structure it, we were reminded that in fact the issues on minorities is at the place the services are delivered—in health, when the admissions clerk actually deals with an application for care; in the benefits area, when you are processing claims; and for the families when they apply for memorial benefits. To contain the Chief Minority Affairs Office as a staff function misses the point. What we would like to do is tie directly with some full-time representation from the operating arms day-to-day awareness and work on minority issues.

So, in fact, what I would suggest is we may have a core in the Policy and Planning Office driving it and finding similarities among the operating arms. In fact, what we really want to concentrate on is the delivery of service and make sure that minority concerns get down there. It doesn't do us any good to talk in this room if, in fact, we're not improving benefits.

Senator AKAKA. Will the CMAO staff report to either of your two deputies or will it have a separate line of communication directly to you?

Mr. RAYMOND. Again, I feel like I am getting a little out ahead of Secretary Brown. My proposal is that the staff would report directly to the Assistant Secretary for Policy and Planning.

Senator AKAKA. One of the big problems that I have encountered in trying to evaluate minority needs is the lack of adequate data about various minority groups. For example, in developing the Native American Veterans' Home Loan Equity Act that we considered here, we had great difficulty in obtaining information about the number of Native Americans who had used home loan benefits. What do you think you will do to improve our baseline data on minorities?

Mr. RAYMOND. In the same kind of vein as Senator Rockefeller and I were talking, the Center for Statistics is not just health related. We are looking at the Department-wide information needs and a particular concern of mine is making sure that the data we have in-house in some way are comparable to that gathered in such other national places as the Census Bureau. So what I would tell you that I would hope to do is identify what we need, then we can do some work on filling those gaps and making them, again, comparable to the rest of the Nation so that we can demonstrate what we're doing or not doing. It is a big job. And as you know, when you deal with relatively small numbers of people, the costs of over-sampling for surveys and all of that become considerations. But there really aren't very many alternatives even with the advances in small area data analysis. So I am hoping that our National Center will in fact work directly with the CMAO. And the nice thing is that it is all in Policy and Planning so it ought to be relatively easy.

Senator AKAKA. I understand that one of the reasons that we do not have a lot of information on minority veterans is because VA is prohibited from asking a veteran's ethnic or racial status because of non-discrimination regulations. But without such information, VA cannot evaluate the extent to which minority needs are being met. I might note that this issue reminds me of a similar battle I fought several years ago when the administration wanted to delete the

check-off boxes for such minorities as Native Hawaiians and other minority groups in the last census. So that is the kind of problem you will have to face. What can you do to address this matter, if you have ideas along this line?

Mr. RAYMOND. I know that is something that Secretary Brown and staff have talked about because in fact you are hitting on a very important issue, how to encourage not only minority concerns from the benefits side, but also minority concerns from promotion, hiring, and other kinds of opportunities. One of the ways that seems to be very effective is the continued statements of the leaders that this should be a concern and asking questions when a panel for promotion comes forward, if there is no minority; to have an explanation of why perhaps outreach wasn't made effectively to get people to apply. I think that we're talking about a culture change, if you will, an awareness that all of these issues become very important and in fact may not take care of themselves. That is what I see the Chief Minority Affairs Office doing: showing what the problems are and making it a very visible area.

Senator AKAKA. I was disturbed by a recent series in the Washington Post which revealed that many area banks discriminate against minorities, particularly African-Americans. Such practices of course should not be tolerated but it leads me to speculate that minority veterans, even though they have significant advantages in terms of their entitlement to a VA loan guaranty, may also be subject to discrimination. Are you aware of this problem? Would you agree to look into this situation if and when you are confirmed?

Mr. RAYMOND. I certainly agree to do that. I would guess, just as a brief response here, that the loan guaranty portion of the VA program might mitigate against the so-called "red lining" process. But I certainly think it is an important issue. The Department certainly dealt with it with regard to some statutory inconsistencies about home loans on reservations. So I think it is possible for us to move forward in this area as well.

Senator AKAKA. Mr. Chairman, I have more questions. If you will permit me, I will go on with these questions.

In recent years, Congress has mandated several new initiatives to assist minority veterans, including the Matsunaga Minority PTSD Study and the Native American Veterans' Home Loan Equity Act. Do you expect to exercise direct oversight of these programs to ensure that they are being conducted in a manner that is consistent with the special needs of minority veterans?

Mr. RAYMOND. I guess I might argue a bit with the term "direct oversight." In fact, a lot of the Policy and Planning functions and certainly the Chief Minority Affairs Office really do not have direct operational authority, direct oversight. What I would expect is that, with our links with the different programs that I would like to set up as part of the structure, we would in fact just by the nature of our participation be watching what is going on, making sure that the right questions are asked, and that minority concerns are dealt with.

But I do want to leave everybody with the idea that Policy and Planning is not in operations, we're not about to try to do heart



surgery or process loans. I think our job is to make sure that the way those services are delivered takes into account minority concerns.

Senator AKAKA. A number of advisory committees exist that bear directly on minority veterans' concerns; for example, there is the Advisory Committee on Women Veterans. As the CMAO, what will be the nature of your working relationship with these advisory bodies, if any? Would you support reauthorizing the Advisory Committee on Native American Veterans which was so effective in identifying shortcomings in VA services and benefits to this special population? What will be the nature of your working relationship with these advisory bodies?

Mr. RAYMOND. I would expect that we would work on a very close basis with those advisory committees that exist. As you know, there is an Executive Order concerning advisory committees and I would certainly expect Secretary Brown to be the one to decide how to move on those. Where they exist I think they absolutely should be part of the CMAO function.

Senator AKAKA. Let me change the subject a little bit. It may be unfair to ask you this, but I intend to introduce legislation later today to improve the Vets Center program. One of the things my bill does is to establish a pilot program under which VA would be required to test the feasibility of providing primary health care services through Vet Centers. The objective of this provision is to bring basic health care services to veterans particularly in the rural areas without having to build new clinics. An added benefit of the pilot program would be to make VA a more attractive option for veterans if and when national health care reform is enacted and VA is required to compete for veterans clients with other health care providers.

As a matter of policy, is there any philosophical or practical reason why primary health care services could not be provided at existing Vet Centers, particularly in rural areas?

Mr. RAYMOND. This is an issue that has been discussed with great vigor for a number of years. I don't know of any particular practical barrier that I would see, with one important point and that is what I think Senator Rockefeller was getting at, about the idea when you are doing something complicated like reforming eligibility for VA or reforming the Nation's health care system, you get into that tricky issue of tradeoffs and where you want to put the limited dollars you may have. Certainly, there is a great support I believe within VA and the Nation for increased ambulatory capacity. Vet Centers may be an area in which this could happen.

I think that it really becomes an issue of how you set up a range of benefits and options you consider about how to deliver them. Those are very hard tradeoffs to make sometimes. This is the body that in fact will in the end have to make those tradeoffs.

Senator AKAKA. In your role with the Health Care Task Force, is this initiative consistent with the President's health care reform plan as you currently know it?

Mr. RAYMOND. The President hasn't finished the plan or announced it yet, so I wouldn't want to prejudge what decisions he may in fact make. But I have heard him say, and I am sure you have, that he is interested in providing guaranteed access to a standard benefit

package at a reasonable cost. It would seem to me that if you could do that with your proposal that it would certainly be consistent with the principles that he is setting forward.

Senator AKAKA. Mr. Chairman, that was my last question.

Before I yield, I wanted to remind you, Vic, of something I said at our last meeting at my office. I told you how important it is for VA to engage in, and I used the Hawaiian word as you recall I think, ho'o pono pono, a Hawaiian word that roughly translates as coming together, bringing things together. There is no area that VA needs to come together more than in the area of minority veterans, as I have been stressing. As Chief Minority Affairs Officer, I hope you will work hard to ensure that ho'o pono pono with respect to minority issues becomes a common practice at every VA hospital and regional office in the country.

And one final note. I know one of your deputy assistants, Dave Burge, very well and I saw him at my office with you, too. Maybe I shouldn't even say it, but he was a student of mine when I was a teacher in school. Just in case you want to know more about him, I still have his report cards. [Laughter.]

Mr. RAYMOND. Ah, that's a deal. We'll talk later. [Laughter.]

Senator AKAKA. Thank you very much, Vic. I know you will serve the Secretary and the veterans of this country to the best of your considerable abilities, and there are many abilities that you have. I want to wish you well.

Mr. RAYMOND. Thank you, Senator.

Senator AKAKA. Thank you, Mr. Chairman.

Chairman ROCKEFELLER. Thank you very much, Senator Akaka, for those very thoughtful questions.

I have some questions, Vic, that Senator Simpson wants to ask which will be presented to you, and then if you would respond to the Committee, I would appreciate that. A couple of questions from me and then one that John Moseman suggested which is a very good one.

[Mr. Raymond's responses to written questions from Sen. Simpson appear on page 228.]

Obviously, entitlement reform, which will define in the law which veterans are entitled to which services, will be a key element involved with the VA's participation in the overall reform effort. I understand that there is some sentiment within the veterans' community, especially in light of the delay in the larger reform effort, to deal with VA entitlement reform now. What are your thoughts about that suggestion?

Mr. RAYMOND. As I mentioned earlier, it would be my best hope that we would all move forward with the President's plan at the same time because I think it is essential for the VA to be considered part of the Nation's ability to deliver health care instead of something distinct. I am still optimistic about that happening. If, in fact, you and your colleagues in the House decide to move forward with some moves that would be complementary to what the national reform may look like, I think that would be fine, but my basic view is we probably should try to move forward as a Nation.

Chairman ROCKEFELLER. Good. Thank you.



It seems to me that part of the reform effort the President is likely to propose is that the VA system compete directly with non-VA providers. I take it from your response to one of my prehearing questions that you believe this proposal would be strongly supported by the President. I also agree that this idea has a lot of merit. Clearly, VA can compete in certain areas—geriatrics, mental health, spinal cord injury care, are some of the ones that we know about. However, there are probably major changes needed in other areas. One that really comes to mind is customer service. I start with the waiting room and go from there. Another change is in the area of marketing. If you are going to compete, you have got to reach out and let people know who you are. Sometimes I am amazed, even in my State of West Virginia, which is really very veteran conscious, that people don't know anything about our four veterans hospitals. They just don't know anything really—where they are or what they have to offer—except that they serve veterans. It is quite interesting, the degree of lack of information about the system.

This question merges with the one that John Moseman is interested in also. What do you think are some of the most serious weaknesses in the VA health care system; and, if you are confirmed, how would you work to help the Department address some of those weaknesses, not just marketing and customer service, but weaknesses in the delivery of health care in order to be able to compete with the non-VA system?

Mr. RAYMOND. Weaknesses, it seems, connotes a fault or some sort of blame to be laid and I don't think that is the sense I would like to leave you with. I would like to say that the whole issue of eligibility, a definition of what services should be provided and a pretty clear definition of who gets them, is certainly a place that would help the VA in being more efficient and competitive. That is, of course, tied up in the whole national health issue. So, in fact, I think a weakness of the system is that lack of clarity where you can't guarantee consistency of access because of distribution of resources or some other feature. I think that is something that needs to be done very early on.

The second area that I would say is the organization of the health services delivery system. It is the same kind of issue that States and large HMO's deal with and that is who delivers what service, who is going to make the decisions about where resources get allocated, how are you going to work in the needs of your defined population when you plan construction or renovation. That process of managing the system, of managing the operations I think is a place that is going to take some real work. The old days of the very centrally controlled system in the context I see national health reform going may not be consistent. We may have to have a little bit more decentralization of operations to the field where we can make some local adjustments. It will be different in Hawaii than it will be in West Virginia, for example. So I think that is a big area.

Again, I don't want to leave anybody with the idea that I think there is some fault or not very smart people. I think it is the structure that we've dealt with and the history that we're going to have to overcome.

The third general area that I think we're going to need to work with is a willingness to look outside the system and say there are some activities that are being done in the non-VA sector that maybe we could adopt. I am personally intrigued, for example, by the idea that one system in one of the States has on duty 24 hours a day an RN on sort of a hotline. What they have found is by having someone available to answer questions that the applications for outpatient care or the use of emergency services is reduced, patient satisfaction is increased because they don't have to worry about what is going on, and that there can be sort of a mini-triage event going on by telephone. A very cheap kind of thing to do that seems to really pay off in reducing the applications for care, letting the actual outpatient or inpatient service serve those who really have a need.

So those three kinds of things I think will put us a long way toward being able to compete successfully.

Chairman ROCKEFELLER. Let me note the presence of Mary Lou Keener, who has joined us, and we are very happy about that.

I also am going to say something that will probably take Secretary Gober aback, but it is something that I just feel like saying, so I am going to say it. I haven't spent much time in Presidential limousines, especially with Presidents, but I did spend some time driving out to Arlington on a recent day with the President and with Secretary Gober, and it was fascinating to me. I had heard about the good relationship, the good friendship between Hershel Gober and the President before, but I really saw it and heard it on that ride. It was just a fascinating thing to listen to the President of the United States and Hershel Gober talking to each other almost in a sense as brothers. They have known each other so long the words don't even have to be said, it is just there. It was a very interesting thing to see and also gives us a great leg up in our work in the Veterans Committee and the Department of Veterans Affairs. So I am saying that generally for the public to hear and also as my way of paying tribute to Hershel Gober.

Vic, I have presided over virtually none of these, but I have been at a lot of confirmation hearings—and we are going to stop this one now for reasons that have to do with me more than you—but your answers have really been good. It is not so much what you have said, but the way that you've said it and the calmness and the confidence with which you have expressed yourself. What it says to me is that you have thought about these things for a long time, that you bring enormous experience, that you are not in the slightest bit nervous about the prospect of this, that you are looking forward very much to it, and that you are very easy and comfortable with it. That is not always the case. Sometimes people come and they have reams of notebook materials or, you know, question 17 (c)(3) is asked and they can get right to it. You didn't bring those things because you don't need them. As I say, you are a B-52 pilot who knows how to fly a big ship with a lot of skill.

I am very proud of your having come before us. We are going to get to this on July 15, which is still 2 weeks to go, but we will get there, Vic. I thank you very, very much for coming. Congratulations to you.

Mr. RAYMOND. Thank you, sir.

Chairman ROCKEFELLER. Unless Senator Akaka has any other questions, this confirmation hearing is adjourned.

[Whereupon, at 11:07 a.m., the Committee was adjourned, to reconvene at the call of the Chair.]



# **NOMINATIONS OF EUGENE A. BRICKHOUSE AND KATHY ELENA JURADO TO THE DEPARTMENT OF VETERANS AFFAIRS**

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**THURSDAY, OCTOBER 28, 1993**

**U.S. SENATE,  
COMMITTEE ON VETERANS' AFFAIRS  
*Washington, D.C.***

The Committee met, pursuant to notice, at 2:31 p.m. in room SR-418, Russell Senate Office Building, Hon. John D. Rockefeller IV (Chairman of the Committee) presiding.

Present: Senators Rockefeller, Graham, Akaka, and Murkowski.

## **OPENING STATEMENT OF CHAIRMAN ROCKEFELLER**

Chairman ROCKEFELLER. We will now begin the hearing portion of today's meeting.

It is a pleasure to be here today to consider two nominations: Eugene Brickhouse to be the Veterans Administration Assistant Secretary for Human Resources and Administration, and Kathy Jurado to be VA's Assistant Secretary for Public and Intergovernmental Affairs. I want to congratulate them on their nominations and welcome them to this brief encounter.

The two assistant secretary positions under consideration today are very important components of VA's senior management. Both nominees must rely heavily upon intelligence, motivation, and integrity to perform their responsibilities effectively and efficiently. I am pleased that President Clinton has selected such highly qualified and well-respected nominees to fill these positions.

Born in Tampa, FL, Kathy Jurado received her undergraduate degree in government and international relations from the University of Notre Dame in 1982. Kathy has experience in public affairs, both in the private and public sectors. She served as press secretary for the Florida Clinton-Gore 1992 campaign and is presently the University of South Florida's director of government relations.

A native of Exmore, VA, Eugene Brickhouse graduated from Virginia State University in 1962 and from the University of Texas in 1976 with a master's degree in management of human resources. He has a distinguished career in the Army, including extensive experience with human resource management and administrative matters. In addition, for the last 18 months, Eugene has served as a professional staff member on the staff of the House Committee on Veterans' Affairs. That is a terrific experience to have in your background because we have to work with them. He has been a



valuable resource on Capitol Hill for everybody dedicated to veterans' issues.

[The prepared statement of Chairman Rockefeller appears on page 233.]

Eugene, I have a letter of recommendation written by a friend of yours and mine that was sent to the Committee on your behalf. It is from a young man by the name of Sonny Montgomery. I will not read it but I have it here and it is very warm.

[The letter referred to appears on page 296.]

I want to welcome Frank Murkowski. I am thrilled that I got here before Frank and that he can't castigate me for being late. [Laughter.]

Eugene and Kathy, by nominating you to these positions, the President has shown great confidence in your work and appreciation for your commitment to veterans. I share in this confidence and I am pleased that VA will benefit from the expertise that you both bring with you, if you are both confirmed.

I note that each of the nominees has completed the Committee's Questionnaire for Presidential Nominees and has responded to my prehearing questions, all of which will appear in the record. Also included will be a letter from the Office of Government Ethics acknowledging that each nominee is in compliance with the laws and regulations governing conflicts of interest. Finally, I note that I have reviewed the F.B.I. report on each nominee and have found no bar to confirmation in either case. I fully expect to support both nominations.

[The documents referred to appear on pp. 270-294, 243-261.]

Before I yield to Senator Murkowski and Senator Akaka and others who might be here, I would invite each of you to introduce any members of your family who might be with you and I would hope that they would make themselves known to us.

Kathy, please start.

Ms. JURADO. Thank you, Senator. I would like to introduce my Mom and Dad who are behind me, Teresa and Jaime Jurado, and my good friend Mark Miller, who is sitting right next to them.

Chairman ROCKEFELLER. Thank you very much. All three of you are very much welcome. For parents, moments like these are pretty special.

Eugene?

Mr. BRICKHOUSE. Thank you, Senator Rockefeller. I would like to introduce my wife, Phyllis.

Chairman ROCKEFELLER. Phyllis, where are you? OK.

Mr. BRICKHOUSE. And my son, Marc.

Chairman ROCKEFELLER. How old are you, Marc?

Mr. Marc BRICKHOUSE. I'm 21.

Chairman ROCKEFELLER. OK.

Mr. BRICKHOUSE. I would like to add that he is a graduating senior at the University of Virginia, sir, and I am looking forward to that.

Chairman ROCKEFELLER. What is your major?

Mr. Mark BRICKHOUSE. Business.

Chairman ROCKEFELLER. Going to support your father. [Laughter.] That's good.

Mr. BRICKHOUSE. I would like to add that I have a surprise visitor. I have my brother here, Frasier, and his wife, Catherine. I would like to introduce them, please.

Chairman ROCKEFELLER. I am really happy that you are all here. Senator Murkowski.

### OPENING STATEMENT OF SENATOR MURKOWSKI

Senator MURKOWSKI. Thank you, Mr. Chairman. I would certainly join in welcoming our nominees. I think as we consider the nominations, it is appropriate to note that the hearing is timely, coming as it does one day after the President and Mrs. Clinton delivered their health care reform program to Capitol Hill. I am sure that you would agree that these nominees will assume a good deal of the responsibility crucial for the success of the VA's transition into the competitive world that the VA will face in the future.

As you know, Mr. Chairman, the President expects the VA to compete for patients in the future. The VA's ability to attract patients into its system, especially patients who have had employer-sponsored health care plans which the VA can tap as a source of new revenues, will determine to a great extent the form the VA takes in the years ahead. Some say it will even determine whether the VA, at least the VA as we know it today, survives or is restructured. If the VA is to attract patients, it will need to recruit quality people—and I am quite convinced we have two extraordinary quality people here today—both to provide quality care and to get the message out to the public that VA provides quality care. These nominees, if confirmed, will be charged with these recruitment and marketing missions.

Based on what I know so far, Mr. Chairman, I believe these nominees are well-equipped to fulfill these roles. Ms. Jurado has a diverse and impressive public affairs background, and Mr. Brickhouse has a long and distinguished record in health care management as a career Army officer. I think their qualifications speak for themselves.

Mr. Chairman, as you know, there is a Republican caucus this morning, and I have no idea how long it might run. And I have a meeting with Carol Browner at 3 p.m. in my office on a matter vital to my State of Alaska. That being the state of affairs, I may have to excuse myself before this hearing is completed.

[The prepared statement of Senator Murkowski appears on page 237.]

Chairman ROCKEFELLER. Well, the nominations process won't be held up. We are just going to have to hope that Senators get here so we can do the markup part.

Before we have your testimony, I have to ask you both to rise so that I can administer an oath.

Do you swear or affirm that the testimony that you will give at this hearing and any written answers or statements that you provide in connection with this hearing will be the truth, the whole truth, and nothing but the truth?

Mr. BRICKHOUSE. I do.

Ms. JURADO. I do.

Chairman ROCKEFELLER. Excellent. Please be seated.

Dan, did you have anything you wanted to add?

## OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Mr. Chairman, I only want to add my welcome to Eugene Brickhouse and Kathy Jurado and also to their families who are here. What I have read about you certainly makes me believe that you are well-qualified for the positions that the President nominated you to. I am looking forward to an expeditious process here so that you can get to work in your jobs.

I am impressed with your qualifications here and what you've done in the brief time you've been working and the kind of experiences you both have had. We are looking particularly to what you can add to helping the veterans, to service them and to provide benefits that will help them after their service life.

So I want to wish you well, and say to the Chairman that I hope we will move expeditiously with your confirmations. Thank you very much, Mr. Chairman.

Chairman ROCKEFELLER. Thank you, Senator Akaka.

Kathy, why don't we start with you.

## TESTIMONY OF KATHY ELENA JURADO, NOMINEE FOR ASSISTANT SECRETARY FOR PUBLIC AND INTERGOVERNMENTAL AFFAIRS, DEPARTMENT OF VETERANS AFFAIRS

Ms. JURADO. Thank you, Senator.

Mr. Chairman and members of the Committee, it is a great honor for me to be here as the President's nominee for Assistant Secretary for Public and Intergovernmental Affairs at the United States Department of Veterans Affairs. I am very grateful to President Clinton and Secretary Brown for their confidence in me to fulfill the responsibilities of this office.

A variety of experiences have prepared me to come before you today. Although none has been as enjoyable as my work with the U.S. Congress, I believe it will be my knowledge of State and local governments that will have the greatest impact on my ability to serve the Department and this administration.

The Department of Veterans Affairs was established by the will of the Congress to serve the brave men and women of our Armed Forces. But I believe the Department's service extends much farther—to the communities our Nation's 27 million veterans call home.

Today's VA is facing a myriad of new challenges, including health care reform, special health care concerns of Persian Gulf and women veterans, the rapid aging of our veteran population, military downsizing, and the plight of homeless veterans. Many of the concerns of our veterans are the very same problems confronting all Americans.

In these times of limited resources, VA must work with the diverse interests of Federal, State, and local governments in order to provide needed services to veterans as fully and effectively as possible. If confirmed, I will work to improve communications and make the most of VA's relationships with communities, States, and Federal agencies.

Veterans are the defenders of our freedom, but as important, they and their families are the foundation of our communities. VA and its

employees provide daily support for this foundation. I look forward to becoming part of this Department which is so committed to meeting the needs of our Nation's veterans.

In closing, I would like to thank the Committee staff for their assistance in my preparation for this hearing. I would be pleased to respond to any questions.

[The prepared statement of Ms. Jurado appears on page 241.]

Chairman ROCKEFELLER. Thank you, Ms. Jurado, very much.

Mr. Brickhouse, we look forward to hearing from you.

**TESTIMONY OF EUGENE A. BRICKHOUSE, NOMINEE FOR ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS**

Mr. BRICKHOUSE. Thank you, Mr. Chairman.

Mr. Chairman and members of the Committee, it is a great honor and a privilege for me to appear before you today as the President's nominee for the position of Assistant Secretary of Veterans Affairs for Human Resources and Administration. I would like to express my sincere gratitude to Secretary Brown and Deputy Secretary Gober for their support of my nomination to this position.

During the past 31 years, I have had the pleasure of working with and on behalf of veterans in many ways. Through my career, I have witnessed and personally experienced changes in the military and political arenas that directly affect veterans. Overall, these changes have been positive. But there are many new and varied challenges ahead of us which must be met.

These positive changes will continue and will accelerate with strong teamwork among the Department of Veterans Affairs, the Congress, the veterans service organizations, and the veterans themselves. We must focus on enhancing the management of human resources and administration within the Department to continue to improve the quality and accessibility of services for this Nation's veterans. The Department's success depends on a talented workforce dedicated to constantly improving existing services and benefits; a workforce dedicated to implementing the programs that make new veterans services and benefits a reality.

I believe the VA can be a part of the change that leads this country in making the Government more responsive, and I want to be a part of that effort. If confirmed in this position, I will bring to this the achievements and the missions of the Department of Veterans Affairs and ultimately to the deserving vets.

I bring to this responsible position 30 years of extensive active duty military service, my experience in working with the Department of Veterans Affairs on the Commission on the Future Structure of Health Care, commonly called the "Mission Commission," and my experience as a professional staff member of the House Committee on Veterans' Affairs. I also bring my dedication to the task of achieving excellence in providing a VA workforce and well-qualified, dedicated individuals. VA employees need to be the part of the team that is striving to be the most responsive and best managed service delivery organization in the Federal Government.

Mr. Chairman, I would be honored to have the opportunity to work with you and other Committee members and staff in meeting the challenges ahead. At this time, I would be pleased to respond to any questions that you may have. Thank you.

[The prepared statement of Mr. Brickhouse appears on page 268.]

Chairman ROCKEFELLER. Thank you very much, Mr. Brickhouse.

I want to do two things: One, we are going to have to do an immediate switch back to the Committee markup because we now have a quorum; but first, I want to give Senator Graham, if he chooses, a chance not only to make some remarks, but since we have a nominee from someplace called Tampa, FL, you might want to comment on that, too.

### OPENING STATEMENT OF SENATOR GRAHAM

Senator GRAHAM. Thank you very much, Mr. Chairman. I have an extended statement which I would like to ask be placed in the record. But I would like to summarize by saying how pleased I am today that we have Ms. Kathy Jurado here.

As you indicate, she is a native of Tampa, and she has been nominated by the President to be the Assistant Secretary of Veterans Affairs for Public and Intergovernmental Affairs. She brings a very distinguished background to that task. I will just mention her current responsibility, which is as the director of governmental relations for the University of South Florida, the second largest institution in the State university system of Florida, with a student enrollment of 34,000 students. So she has had extensive experience in a relevant area dealing with the needs of a large institution.

I believe, Mr. Chairman and members of the Committee, that Ms. Jurado is extremely well prepared for the task that the President has asked her to perform. I think the veterans of America will be well served, particularly, Mr. Chairman, as the Department of Veterans Affairs takes on new responsibilities in health care. The fact that Ms. Jurado has had experience dealing with the intergovernmental and public information needs of a large university with a large and complex medical facility and medical training institution will give her especially appropriate preparation for the specific challenges that she will now face.

If I could, Mr. Chairman, I understand that Kathy's parents are here, and I would like to take this opportunity to ask if Mr. and Mrs. Jurado would please stand and be recognized.

Thank you very much.

[The prepared statement of Senator Graham appears on page 235.]

Chairman ROCKEFELLER. Thank you, Senator, very much.

We now have to go back to the Committee markup, so you two please be at ease and comfortable, and we will resume shortly.

[Whereupon, the Committee proceeded to other business.]

[Whereupon, the Committee resumed the hearing.]

Chairman ROCKEFELLER. Unfortunately, we now have to go to the floor to vote. To both of you, I apologize. We will be back in a matter of 5 to 8 minutes, and we will try to do this markup off the floor. So please bear with us. Understand that democracy is not perfect; we just do the best we can.



[Recess.]

Chairman ROCKEFELLER. The Chair apologizes. There were two votes rather than one. And the Chair also introduces another fact of our odd democracy which complicates my life this afternoon. I have to go engage in a debate on health care on CNN, and I have to do it in 5 minutes. I am looking forward to it, but it saddens me that I don't have more of a chance to talk with our two nominees.

So this is what I am going to suggest. There are a number of questions that I have for both of you. They are not anything to get nervous about, just what do you feel about this, what do you feel about that. I will submit those in writing and, if you could get your answers back within 24 hours, we can probably do your nominations. The point of that, of course, is that we want to be able to get the nominations passed on the Senate floor presumably by unanimous consent before we adjourn, which is scheduled in November. That sounds like a long way off but it isn't, in terms of all the business that remains.

[The nominees' responses to written questions appear on pp. 262 and 295.]

So, let me thank both of you. I talked with Senator Murkowski before and could tell by the tone of his remarks that he was very impressed by both of you, as am I and as was Bob Graham and Dan Akaka. Other Committee members didn't have a chance to talk with you, but I think they will be impressed and willing to follow our lead on this.

So, I have to conclude this hearing, having made all of you wait all of this time. I apologize for that, but that is simply the nature of my day on this day.

Let me say to the parents and friends and to both of the nominees themselves that, in spite of all of the confusion of the day, this is a very solemn occasion, because two people are going into public service again at a time when public service is not necessarily held in high regard across the country and by the American people. The Federal Government isn't the most popular institution that you can mention to the American people these days.

I happen to be one who believes passionately in public service. I think that probably being a minister or being a teacher is just as good or maybe even better; but I am not one of those two, I am in public service or politics. I love it and I honor the profession, as I know that Frank Murkowski does. That is what you two have signed up for again. That is, to me, something that people ought to appreciate at a time when people are pretty cynical in this country. So when we get two good people like you, I think that helps a lot.

I will adjourn the hearing at this point and we will do your nominations as soon as you get back your responses to our questions. I hope we can have both you in office before Thanksgiving. I thank you both and I thank all of you for your patience here.

This hearing is adjourned.

[Whereupon, at 3:45 p.m., the Committee adjourned, to reconvene at the call of the Chair.]



# NOMINATION OF PRESTON M. TAYLOR TO BE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING

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FRIDAY, NOVEMBER 19, 1993

U.S. SENATE  
COMMITTEE ON VETERANS' AFFAIRS  
*Washington, D.C.*

The Committee met, pursuant to notice, at 1:38 p.m. in room SR-418, Russell Senate Office Building, Hon. John D. Rockefeller IV (Chairman of the Committee) presiding.

Present: Senators Rockefeller and Thurmond.

Chairman ROCKEFELLER. Senator Thurmond?

Senator THURMOND. If you would just give me about 2 minutes to endorse this man, then I'm leaving.

## OPENING STATEMENT OF SENATOR THURMOND

Mr. Chairman, it is a pleasure to be here this afternoon. I join you and the members of the Veterans' Affairs Committee in extending a warm welcome to the nominee, Mr. Taylor, as well to his family, his friends, and his guests who may be accompanying him.

I am pleased that the President has nominated a person of experience and ability for the position of Assistant Secretary of Labor for Veterans' Employment and Training at the Department of Labor.

Mr. Chairman, this nominee appears well qualified for the position to which he has been nominated. Mr. Taylor is a veteran of the United States Air Force, with 6 years' active duty; in addition, he has been a member of the Air National Guard for the past 33 years, attaining the rank of Brigadier General. He is presently the Deputy Adjutant General for the Department of Military and Veterans' Affairs of the State of New Jersey.

I believe he will be an effective advocate for veterans' employment and training. I congratulate the nominee on his willingness to serve his Nation in the position to which he has been nominated.

Mr. Chairman, as you are aware, the Veterans' Employment Training Service has been recommended for consolidation and reorganization as part of the National Performance Review. Given this possibility, it is noteworthy that Mr. Taylor has permitted his nomination to go forward.

I must express my concern about the reorganization proposal. The purpose of elevating this position to full Assistant Secretary was to ensure that veterans' issues were adequately visible within and across Department of Labor programs. The need for training and

employment assistance to veterans is becoming more critical as we reduce the force structure of our military. Furthermore, veterans face unique situations as they transition from military duty to civilian employment. This position is designed to meet the special needs and circumstances of veterans.

Mr. Chairman, I am very pleased to endorse this nominee. I think he is well qualified, and as far as I am concerned you can vote him out today. You can take my proxy and have him confirmed before the day is over in the Senate.

[The prepared statement of Senator Thurmond appears on page 303.]

Chairman ROCKEFELLER. We're going to do that, Senator Thurmond. Thank you, sir.

[Applause.]

Senator THURMOND. I am glad to be here with the able Senator from New Jersey, who is going to introduce him.

Chairman ROCKEFELLER. Senator Bradley, I will withhold my statement and I would be delighted to have you present the nominee.

Senator BRADLEY. Thank you very much, Mr. Chairman.

#### **OPENING STATEMENT OF SENATOR BILL BRADLEY, A U.S. SENATOR FROM THE STATE OF NEW JERSEY**

Mr. Chairman, I thank you very much for your courtesy, and I also want to thank you for holding this hearing on the President's nomination of General Preston Taylor to be Assistant Secretary of Labor for Veterans' Employment and Training at the Department of Labor.

Presently, as Senator Thurmond said, he is the Deputy Adjutant General of the State of New Jersey. I think General Taylor would bring a lifetime of experience in the armed services and the public sector to the Department of Labor.

From 1954 to 1960 he served on active duty in the United States Air Force. He then joined the Air National Guard, rising to the position of Brigadier General. In his present position General Taylor serves as second in command at the State Department of Military and Veterans' Affairs, where he has provided oversight to all veterans' programs, supervises implementation of total quality management in the department, and influences the planning, organization, and staffing of veterans' programs and military programs.

Throughout his career General Taylor has demonstrated discipline, hard work, and commitment. He is strongly qualified to serve in the Clinton administration and would be an asset to any organization for which he works. He is committed to serving the veterans community and has the experience the Department needs to carry out the many challenges facing our veterans today.

On a personal note, I think he is just outstanding. I think it will be a great credit to the administration to have him in it, and I would urge the Committee to report out this nomination and I hope the Senate will act quickly to confirm Brigadier General Preston Taylor.

Chairman ROCKEFELLER. Senator Bradley, thank you very much.

I have been here 9 years and I've never had the privilege, General Taylor, of having Senator Bradley present something, so he must feel pretty strongly about you.

General TAYLOR. Well, I thank him, and I feel very strongly about him, too. He's been a great help to me back in New Jersey.

Thank you very much, Senator.

Chairman ROCKEFELLER. General Taylor, let me give my statement, then I have to swear you in, and then you give your testimony, and then we will work it in so that you can introduce your wife and your daughter.

General TAYLOR. Yes, sir.

### OPENING STATEMENT OF CHAIRMAN ROCKEFELLER

Chairman ROCKEFELLER. Our ranks are not large at this time; this is the second-to-last day of the year and everybody is trying to figure out what to do, and not all very skillfully.

In any event, I congratulate you on your nomination. You have a marvelous opportunity in something which I admire very much, called public service, to serve veterans across this entire country with the same expertise, the same hard work, and the same sense of service that you have given, as Senator Bradley has indicated, to the veterans of New Jersey.

Born in Mobile, AL—where, incidentally, my wife's father's father was born; that doesn't occur to me often [laughter]—you received your undergraduate degree from Pepperdine University in 1978, and your master's degree in human resource management from Central Michigan University in 1987. You have had a distinguished military career, including 6 years active duty with the Air Force and 33 years—that's a long time—with the Air National Guard, where you rose to the rank of Brigadier General. You have had extensive experience with human resource management and administrative matters. The administrative matters are particularly important in an organization as large as the Department of Veterans Affairs is. You presently serve as the Deputy Adjutant General for the State of New Jersey's Department of Military and Veterans' Affairs.

By nominating you to this position, the President has shown great confidence in your work—these words can roll easily from somebody's mouth, but as a matter of fact, all of these positions are carefully contested and carefully screened and carefully sought, so your being here is, in and of itself, a significant tribute to the way the President feels about you.

I share in everything that I have heard about his confidence, and I am very pleased that the Veterans' Employment and Training Service will benefit from what you so clearly care about and know. I have no doubt that your unique and valuable perspectives regarding the relationship between State and Federal offices will be an asset in this position should you be confirmed, which I expect you to be; in fact, we have already scheduled a markup for this afternoon. We work efficiently.

General TAYLOR. Thank you, sir.

Chairman ROCKEFELLER. Your perspectives should assist you in building a close partnership focused on sharing Federal and State



level responsibilities and providing services more effectively to veterans. Again, "providing services more effectively to veterans" is easily said, but very hard to do in an enormous agency, a great bureaucracy, with a change of administration, somewhat of a different philosophy, and therefore everything becomes a little bit more of a challenge and a little bit more difficult.

As I indicated, we are going to have a meeting of this Committee later this afternoon to act on your nomination.

For the record, I note that Preston Taylor has completed the Committee questionnaire for Presidential nominees and responded to my prehearing questions, all of which appear in the hearing record. Also included will be a letter from the Office of Government Ethics, acknowledging that you, Preston Taylor, are in complete compliance with laws and regulations governing conflict of interest.

[The documents referred to appear on pp. 312-331.]

I believe Senator Murkowski has also reviewed the FBI report—oh, he has not yet. I have done the FBI report and it is perfect. As we say in this business, I find no bar to your confirmation. From my point of view, I fully expect to support your nomination.

[The prepared statement of Senator Rockefeller appears on page 298.]

Chairman ROCKEFELLER. I don't have any colleagues to yield to, so let's use this opportunity for you to introduce your wife and your daughter.

General TAYLOR. Thank you very much, Senator.

My son, Christopher, was not able to come down here today because of work responsibilities, but I do have with me my wife, Audrey, and my daughter, Cinthia.

Chairman ROCKEFELLER. Welcome to both of you.

Will you rise, sir, and raise your right hand?

Do you swear in your testimony that you will tell the truth, the whole truth, and nothing but the truth?

General TAYLOR. I do.

Chairman ROCKEFELLER. General Taylor, why don't you just go ahead and proceed with your statement, sir.

# **TESTIMONY OF BRIGADIER GENERAL PRESTON M. TAYLOR OF NEW JERSEY, NOMINEE TO BE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING**

General TAYLOR. Good afternoon, everyone.

Mr. Chairman and distinguished members of the Senate Veterans' Affairs Committee, it is a privilege and an honor to have been selected by Secretary Robert Reich and nominated by President Clinton to serve as the Assistant Secretary of Labor for Veterans' Employment and Training.

I am grateful to the Senators from my home State of New Jersey, Senator Bill Bradley and Senator Frank Lautenberg, for the support they have given me during this nomination process. I would also like to express my gratitude to Secretary Reich, Deputy Secretary Thomas Glynn, Assistant Deputy Secretaries Steve Rosenthal and Betty Bolden, the various veterans' organizations, and the many citizens across the country who have supported me.

Last, but not least, I am most appreciative of the support of the members of my family.

If confirmed by the Senate for this position, I will always strive to conduct myself in the business of the agency in a manner befitting the trust that the Committee, the Secretary, and the President have placed in me.

As you know from my resume, for the major part of my adult life I have been involved with the military, both the regular active duty component and with the National Guard and Reserve Forces that protect our Nation. In addition, for the past 5 years I have also dealt very heavily with veterans' issues. As Deputy Adjutant General for Military and Veterans' Affairs for the State of New Jersey, I have worked very, very closely with veterans. We operate three veterans' nursing homes, 18 veterans' services offices, and a veterans' cemetery.

From my personal experience I know the values, as well as the rigors, of military service. Those of us who live in freedom and liberty within the United States enjoy the highest standard of living anywhere at any time only because of the dedicated service and patriotic sacrifice of countless numbers of brave men and women. These men and women who answered our country's call to preserve democracy and defend the precious freedoms guaranteed in our Constitution are one of our Nation's most valuable resources, our veterans.

I therefore staunchly believe that all veterans, Reserve and Guard members, and their dependents deserve our gratitude and respect. I staunchly believe that all veterans have earned a measure of special assistance from the United States Government upon separation from active duty to facilitate their catching up with their nonveteran peers in the civilian workforce.

I think the decisionmakers throughout the Federal-State employment training and retraining services delivery system must be guided by that principle, and that the Department of Labor must provide leadership in this area.

I also staunchly believe it is absolutely essential that this Nation, through the U.S. Department of Labor, continue to protect the reemployment rights of veterans, the Reservists, and Guard members who are called to active duty to defend our Nation's national security.

As we downsize the regular components of our military forces, our dependency on the Reserves and the National Guard increases. It is vital to our Nation's security, therefore, that we continue to ensure that veterans willing to face the potential perils involved in being a Reservist or Guard member are not also in danger of losing their civilian jobs or associated benefits due to their being called to active duty.

We are in the beginning stages of what historians will cite as a "seminal period" in American government, reinventing government to better serve its customers at less cost. We are also experiencing an economic transformation from a national to a global economy, and we are facing a major reduction in the size of our Nation's regular Army, Navy, Air Force, and to a smaller extent, the Marine Corps.

As you know, I am a former Federal civil servant. I can say from personal experience that there is much we can and should do to

reduce the cost of government and improve customer services. I have read the National Performance Review in its entirety. I think it is an invaluable guide toward achievement of those goals, and I believe the Veterans' Employment and Training Service can make adjustments consistent with the recommendations of the National Performance Review that will ensure better service to our customers, veterans and employers, within the veterans' employment and training programs.

The Veterans' Employment and Training Service has already formulated a restructuring and downsizing plan that would achieve a reduction of 35 positions by fiscal year 1999, which is in accord with the 12 percent reduction called for by the President. This plan would cut deeply into Veterans' Employment and Training Service' management and administrative overhead at the national and regional office levels, but maintain the staffing levels of the front line workers in the State and area offices at about 96 percent of the current level. The Office of the Assistant Secretary for Veterans' Employment and Training would be retained. This plan would enable VETS to continue its high level of field activities for veterans, Reservists, and Guard members.

I think that the Veterans' Employment and Training Service has been an effective advocate and catalyst for veterans' employment and training services. Furthermore, I think it has done an exemplary job of handling veterans' reemployment rights inquiries, complaints, and investigations. On average, cases are resolved in less than 2 months, with nearly all settled without litigation. This is good service to our customers, the protected individuals and their employers. However, it is also apparent to me that some of the existing programs and policies are not as efficient or as effective as they might be. We need to improve that situation.

The Department is working on a workforce investment strategy that encompasses comprehensive work adjustment services, one-stop career centers, and a national labor market information system. The goal of this strategy is to improve the productivity of the Federal-State system for all its customers, meaning both individuals and employers.

You may be assured that the Office of Assistant Secretary for Veterans and Training is working closely with the Employment and Training Administration in the development of that package. If I am confirmed, I will ensure that veterans' interests will be represented in the formulation and execution of that and other future initiatives. Work is already underway in the Veterans' Employment and Training Service to assess the contemporary needs of veterans and Reservists and Guard members, and to develop program, policy, and delivery system proposals to efficiently meet our goals.

It appears to me that the Federal Government does not have a coherent policy regarding employment and training services for veterans. For example, the Federal statute requires that State employment service agencies give priority to all veterans for all services; however, veterans are not accorded special priority under other Department of Labor statutes, such as the Dislocated Workers and Job Training Partnership Act programs. Therefore at the local level, where policy is put into practice, there is no clear Federal

standard against which to plan and to measure the adequacy of employment and training services for our veterans.

My highest priority in the next 6 months, if I am confirmed as the Assistant Secretary for Veterans' Employment and Training, will be to produce for the Secretary's consideration a coherent and viable policy regarding employment and training services for veterans, and an accompanying proposal outlining the means to implement such a policy at the local level.

In keeping with the spirit of the National Performance Review, we must be clear to our grantees both what are our expected results and what standards we will use to measure them. At the same time VETS and other grantors, such as the Employment and Training Administration, must provide increased flexibility to our State and local partners so that they can meet the Nation's goals.

I also understand the importance of communication and cooperation between the Department of Labor, its affiliated State and local government agencies, and other service providers, such as the Departments of Defense and Veterans Affairs, veterans service organizations, the National Association of Governors, employers associations, and labor unions. If confirmed, I will ensure that existing lines of communication are maintained and strengthened, and where none exist, that such lines are established and maintained.

Mr. Chairman, members of the Committee, I am ready to accept the challenges that will be faced by the next Assistant Secretary of Labor for Veterans' Employment and Training, and I am excited about the prospect of being part of the reinvention of the Federal Government and believe that my personal and professional experiences have prepared me to succeed in that position. I am well versed in total quality management principles and techniques, having been responsible for the successful institution of TQM within the New Jersey Department of Military and Veterans' Affairs. I bring to the job the experience and the ability to manage structural and attitudinal changes within an agency, the ability to force effective teamwork, and the understanding that an agency must continually strive to improve its services to its customers.

I look forward to serving the men and women who have served in the Army, Navy, Air Force, Marines, and Coast Guard. They all have been the Americans who have served the cause of democracy, who have opposed tyranny, and who have defended the cause of human rights for us all.

I respectfully ask for your approval of my nomination, and I await any questions you may have.

Thank you.

[The prepared statement of General Taylor appears on page 305.]  
Chairman ROCKEFELLER. Thank you, General Taylor.

I want to ask Senator Frank Lautenberg to come forward to present you—and in fact, we may not have any time for questions, because that was a vote that just went off.

Senator Lautenberg, we are obviously very happy and honored that you are here, sir.

## OPENING STATEMENT OF SENATOR LAUTENBERG, A U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator LAUTENBERG. Thank you very much, Mr. Chairman, Senator Rockefeller.

I was struck as I read your letter of endorsement of General Pres Taylor's nomination for this position as Assistant Secretary of Labor for Veterans' Employment and Training. I just wanted to come in, and I apologize for being late, but I knew that General Pres Taylor could handle himself very well without having this former Army corporal sitting by his side. [Laughter.]

Chairman ROCKEFELLER. Oh, is that right? Tell us a little bit about that.

Senator LAUTENBERG. Well, there isn't time enough to lay it all out in front of you, Mr. Chairman. [Laughter.]

But in any event, on a very serious note, Pres Taylor is someone who makes us all proud. He is easy to work with; he is very persistent; he follows through; he gets the job done, and I just wanted to add my words to those that I am sure Senator Bradley issued when he was here a few minutes ago, to say that we hope that this nomination will be considered and dealt with quickly so that Pres Taylor can get to work and do the things that we want him to do for the veterans' community and the Department of Labor.

I thank you very much, Mr. Chairman, for permitting me to jump in here like this.

Chairman ROCKEFELLER. Senator Lautenberg, no, it's great that both Senators come.

Very rarely, General Taylor, do both Senators come. Sometimes one will come, or a friend who knows the person will come, but to have both Senators come is unusual. That's what we expect from Frank and Bill.

General TAYLOR. Mr. Chairman, Senator Bradley and Senator Lautenberg have been very good friends to the State Department of Military and Veterans' Affairs, and to veterans in general. I am honored and pleased that they both took time out of their busy schedules to come and endorse me.

I thank you very much, Senator. Once confirmed, you may rest assured that we will really be working very hard for the veterans.

Senator LAUTENBERG. Thank you. That means that you won't be in New Jersey so that I can call on you. [Laughter.]

General TAYLOR. You can always call on me, Senator.

Chairman ROCKEFELLER. Thank you, Senator Lautenberg.

General Taylor, we won't have time for questions, so I will just sort of throw a general one at you. I spent most of yesterday afternoon and all of last evening with Secretary of Labor Robert Reich, talking specifically about what it is that we're going to do in this country. You mentioned during your presentation that you don't think we do a very good job of training and retraining and preparing people, much less having work available, the whole science of how does one create jobs.

Secretary Reich indicated that when the President gives his second State of the Union message, he will probably concentrate on two



subjects, health care and job creation and training. So you are right in the middle of it.

General TAYLOR. Yes, sir.

Chairman ROCKEFELLER. You have an advantage in the fact of veteran's preference, but in view of the conditions today, that's not really a very large advantage unless the training is there and the jobs for the training come to be there.

General TAYLOR. Yes, sir.

Chairman ROCKEFELLER. Just as sort of a philosophical matter, in no more than 3 or 4 minutes because then I have to run to be able to vote—on what subject, I have no idea; make that 2 minutes—[laughter]—just sort of reflect on your concerns about that from the point of view of New Jersey and the country.

General TAYLOR. Well, Mr. Chairman, first in regard to Secretary Reich and his position, I have chatted with him in private about veterans. I can assure you all that he is concerned about veterans and he is concerned about the perception of the Labor Department in regard to veterans. So I expect that his policies are generated within a Department of Labor that will be far-reaching, that I will be invited to sit down and participate in the generation of those policies from a veteran's perspective.

We are going to be going through the largest military downsizing in the history of the country. The drawdown is going to be extended from fiscal year 1995 right on through fiscal year 1999, and we expect the size of the military to ultimately become somewhere in the neighborhood of about 1.4 million, which means that hundreds of thousands of young men and women, many of whom thought they were going to have a 20-year career in the military, will not have a 20-year career, so they are going to need help.

We are going to organize ourselves within VETS in a manner so that we will be able to help them. One hundred and thirty military installations are going to close; approximately 35 to 40 percent of those employees are veterans. There is major downsizing and restructuring going on in the public sector, especially in the military-industrial complex in the manufacture of weapons systems. Many of those individuals are going to lose their jobs. We have looked at the data and the data indicates that anywhere from 16 to 18 percent of those people are veterans.

So we have a lot of veterans out there who are going to be looking for help, a lot of veterans who are going to be looking for ways in which they can retool themselves, learn new skills so they can qualify for some of these jobs that are changing at a rapid pace in this high technology situation that we find ourselves in.

So we are ready to accept the challenge, and we will make you proud of us.

Chairman ROCKEFELLER. That is bravely and properly said. It will be hard. It will be very hard. I think we are headed for 10 or 15 years of very painful adjustment. On both the military side and the nonmilitary side, I think it can be very, very tough work. So you are in for some long days. I have the gut feeling that you will give everything you have to it, and we will all be trying to find the answers as best we can. There are a lot of people counting on us.

General TAYLOR. Thank you very much, sir.

Chairman ROCKEFELLER. I appreciate your being here. I apologize for my departure, but if I don't depart I will miss a vote that I don't want to miss.

General TAYLOR. Yes, sir.

Chairman ROCKEFELLER. And I thank your lovely wife and your daughter for being here, and everybody concerned.

General TAYLOR. Thank you, sir.

Chairman ROCKEFELLER. The hearing is adjourned.

[Whereupon, at 2:07 p.m., the Committee was adjourned, subject to reconvene at the call of the Chair.]

## APPENDIX

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### PREPARED STATEMENT OF CHAIRMAN JOHN D. ROCKEFELLER IV MAY 12, 1993

Good morning. This is a hearing to consider the nominations of four individuals to key positions in the Department of Veterans Affairs. The nominees, and the offices to which they have been nominated, are:

- Jerry W. Bowen to be Director of the National Cemetery System;
- Mark Catlett to be Assistant Secretary for Finance and Information Resources Management;
- Mary Lou Keener to be General Counsel; and
- Ed Scott to be Assistant Secretary for Congressional Affairs.

Jerry, Mark, Mary Lou, and Ed, it is a great pleasure to have you here today. Mark, you of course have been here as a VA witness many times in your career and I guess it is fair to assume that you, Ed, are somewhat familiar with the room!

I extend a warm welcome to each of you and to any family or friends who are here with you. I ask you each to introduce those who are here with you when you make your statement to the Committee.

I congratulate each of you on your nomination. You each have a wonderful opportunity to serve the veterans of the Nation in your new offices, assuming your confirmation, which I surely do.

Jerry Bowen, like his friend and colleague, Deputy Secretary Hershel Gobel, is from Arkansas and is retired from a career in the military—in Jerry's case, he retired as an Army colonel in 1989 after serving in Viet Nam and later holding several senior positions in the Pentagon.

Mark Catlett is a West Virginia native—I keep being amazed at how many West Virginians are involved with veterans matters. Mark was born in Martinsburg and grew up in Hedgesville.

He attended West Virginia University where he played basketball.

Mark is a career VA employee and his nomination to this position—one of the most important positions at VA—is a very positive message for career employees throughout VA.

Mary Lou Keener is a Viet Nam veteran who has been very active in veterans matters while maintaining an active law practice in Atlanta, Georgia.

Born in Flint, Michigan, Mary Lou served on the hospital ship USS Repose in Viet Nam after receiving her nursing degree. She later joined the Air Force Reserves where she is now a Colonel. She was called to active duty during Operation Desert Storm.

I noticed, Mary Lou, that you put in some time working for our colleague Don Riegle back in his days in the House.

That should surely help prepare you to understand and work with the Committee and the Congress.

It is hard to know where to begin with Ed Scott. I guess I should note that Ed served in the Air Force in the mid-60's and also had impressive service with the Peace Corps, including a stint as the Peace Corps Director in Korea. I also note that you were with the Mental Health Law Project in the mid-70's, an experience that I am certain must have been very compelling.

Ed, of course, is best known to those of us in the room for his sixteen years of service on the staff of this Committee—as General Counsel, Minority General Counsel, and finally as Chief Counsel and Staff Director.

It is great to have you back here with us, Ed. I imagine the view may be a bit different from that side of the table.

President Clinton has shown great confidence in each of you, your work, and your commitment to veterans by nominating you to serve in these important positions. You each bring to the VA a valuable perspective on how we might better meet the needs of our nation's veterans.

I look forward to a timely meeting of this Committee, now scheduled for next Wednesday at 9:30, to act on these nominations so as to allow you to join Jesse and Hershel as part of a first-rate team at the VA.

In closing, I note that each of the nominees has completed the Committee Questionnaire for Presidential Nominees and responded to my pre-hearing questions, all of which will appear in the Record.

Also included will be a letter from the Office of Government Ethics acknowledging that each is in compliance with laws and regulations governing conflicts of interests.

I will review the FBI report on each prior to the Committee meeting next week.

I look forward to hearing your testimony and discussing some matters with you today and to working with each of you in the near future.

STATEMENT OF SENATOR DENNIS DECONCINI  
MAY 12, 1993

MR. CHAIRMAN, IT GIVES ME GREAT PLEASURE TO PARTICIPATE IN THIS HEARING ON THE NOMINATIONS OF EDWARD SCOTT, MARK CATLETT, MARY KEENER AND JERRY BOWEN. I HAVE WORKED WITH TWO OF THESE NOMINEES FOR SOME TIME AND HAVE THE GREATEST RESPECT FOR THEIR KNOWLEDGE OF VETERAN LAW AND THE DVA BUDGET AS WELL THE SKILL EACH POSSESSES TO UTILIZE THAT KNOWLEDGE. I HAVE COMPLETE CONFIDENCE THAT ALL OUR GREAT EXPECTATIONS ED AND MARK WILL BE FULFILLED AND KNOW THAT MARY AND JERRY WILL PERFORM THEIR DUTIES WITH EQUAL VIGOR AND PROFICIENCY.

WHILE I HAVE GREAT RESPECT FOR OF ALL THE NOMINEES' ABILITIES AND WHOLEHEARTEDLY SUPPORT THEIR NOMINATIONS, I HAVE COME HERE IN PARTICULAR THIS MORNING TO SUPPORT PUBLICLY THE NOMINATION OF MR. EDWARD SCOTT FOR ASSISTANT SECRETARY FOR CONGRESSIONAL AFFAIRS AND I DO SO WITHOUT ANY RESERVATION WHATSOEVER. I ALSO WANT TO PAY TRIBUTE TO ED FOR HIS LONG AND SELFLESS DEDICATION TO AMERICA'S VETERANS DURING HIS TENURE IN THE SENATE.

HAVING WORKED CLOSELY WITH ED FOR SOME TWELVE PLUS YEARS, I HAVE COME TO KNOW AND RESPECT HIS LEGAL TALENTS AND POLITICAL SKILLS. I CAN THINK OF NO PERSON WHO IS MORE CONVERSANT WITH BOTH THE ISSUES AND THE LAWS AFFECTING OUR NATION'S VETERANS SAVE TWO EQUALLY KNOWLEDGEABLE GENTLEMEN WHO HAVE WORKED WITH ED HERE ON THE COMMITTEE. IN ADDITION, I CAN



THINK OF NO PERSON WHO IS MORE COMMITTED TO ENSURING THAT ALL VETERANS RECEIVE THE BENEFITS TO WHICH THEY ARE ENTITLED OR HAS BEEN MORE HELPFUL TO THIS SENATOR IN ENSURING THAT ARIZONA VETERANS ARE FAIRLY TREATED UNDER THE EXISTING VETERANS BENEFITS SYSTEM.

ED SCOTT'S QUALIFICATIONS FOR THE ASSISTANT SECRETARY'S POSITION ARE NOTHING SHORT OF OVERWHELMING. HOWEVER, ED ALSO HAS CONSIDERABLE, IF NOT MORE, EXPERIENCE IN VETERANS' AFFAIRS THAN ANY PERSON EVER NOMINATED FOR THIS POSITION. HE BEGAN WORK IN VETERANS' AFFAIRS OVER 16 YEARS AGO. FROM 1977 TO 1980 AND 1987 TO THE PRESENT, ED HAS SERVED AS GENERAL COUNSEL OR CHIEF COUNSEL AND STAFF DIRECTOR FOR THE MAJORITY ON THE COMMITTEE ON VETERANS' AFFAIRS, SERVING AS MINORITY GENERAL COUNSEL FROM 1981 TO 1987.

MR. CHAIRMAN, I HAVE WONDERED FOR MANY YEARS WHY I FELT A SPECIAL KINSHIP TO ED. AFTER READING HIS QUESTIONNAIRE, I KNOW WHY. WE WERE BORN IN THE SAME YEAR, WE BOTH WERE ROTC CADETS, WE BOTH WERE MILITARY LAWYERS AND BOTH OF US BEGAN OUR WORKING LIVES IN PUBLIC SERVICE. WHILE ED BEGAN AS AN OCEAN CITY PATROLMAN DURING SUMMER VACATION FROM RUTGERS, I SERVED EQUALLY HAZARDOUS MILITARY DUTY AS AN ARMY SUPPLY OFFICER AFTER COLLEGE GRADUATION.

OVER THE COURSE OF MY TENURE ON THE COMMITTEE ON VETERANS' AFFAIRS THESE PAST TWELVE YEARS, I ALSO HAVE COME TO RESPECT ED'S EXHAUSTIVE KNOWLEDGE OF THE VA BUDGET AND HIS LOVE

AND LOYALTY TO THE COMMITTEE. THE COMBINATION OF ED'S WELL-HONED LEGAL ABILITIES WITH HIS LONG PROFESSIONAL EXPERIENCE IN THE AREA OF VETERANS' AFFAIRS MAKE HIM AN IDEAL PERSON TO FILL THE POSITION FOR WHICH HE HAS BEEN NOMINATED. I CANNOT THINK OF ANY GOOD REASON ANYONE COULD HAVE TO OPPOSE HIS NOMINATION AND DO NOT EXPECT ANYONE TO DO SO.

FINALLY, ED, I WOULD LIKE TO EXPRESS PERSONALLY MY GRATITUDE FOR ALL YOU HAVE DONE FOR ME OVER THE YEARS. I WOULD ALSO LIKE TO NOTE THAT MY STAFF MEMBERS WHO NOW WORK WITH YOU, MARY HAWKINS AND TIM GEARAN, AND I WILL ALL MISS YOUR PRESENCE ON THE COMMITTEE. BUT MOST OF ALL, I WANT TO CONGRATULATE YOU ON YOUR NOMINATION AND TO EXTEND MY VERY BEST WISHES FOR CONTINUED SUCCESS AS YOU ASSUME YOUR NEW RESPONSIBILITIES. FINALLY, I WANT TO EXTEND MY CONGRATULATIONS TO YOUR FAMILY: JANE, YOUR WIFE, AND YOUR FOUR CHILDREN, YOUNG, ED, JR., LAUREN AND TRACEY.

MARK, MARY AND JERRY, I WOULD ALSO LIKE TO CONGRATULATE YOU AND ALSO EXTEND MY BEST WISHES TO YOUR FAMILIES ON THIS HAPPY OCCASION.

MR. CHAIRMAN, THANK YOU AGAIN FOR PROMPTLY SCHEDULING THIS HEARING ON THE NOMINEES AND I URGE ALL MY COLLEAGUES TO SUPPORT THEM.

REPORTER

*John H. Thurmond*

STATEMENT BY SENATOR STROM THURMOND (R-SC) BEFORE THE SENATE VETERANS' AFFAIRS COMMITTEE HEARING ON THE NOMINATIONS OF ED SCOTT TO BE ASSISTANT SECRETARY FOR CONGRESSIONAL AFFAIRS; MARY LOU KEENER TO BE GENERAL COUNSEL; D. MARK CATLETT TO BE ASSISTANT SECRETARY FOR FINANCE AND INFORMATION RESOURCES MANAGEMENT; AND JERRY W. BOWEN TO BE DIRECTOR OF THE NATIONAL CEMETERY SYSTEM. 418 RUSSELL SENATE OFFICE BUILDING, WEDNESDAY, MAY 12, 1993, 10:30 A.M.

MR. CHAIRMAN:

It is a pleasure to be here this morning. I join the Chairman and the members of the Veterans' Affairs Committee in extending a warm welcome to each nominee. I am pleased that the President has nominated persons of experience and ability for these positions in the Department of Veterans' Affairs.

Mr. Chairman, each nominee appears well qualified for their respective position. Each has a strong connection, in their own way, with the Veterans they will serve. Mr. Bowen served two tours in Vietnam as a career Army Officer and retired from the Army with the rank of Colonel. Ms. Keener, also is a Vietnam veteran, currently holds the rank of Colonel as a United States Air Force Reserves Flight Nurse, and is active in veterans organizations. Mr. Scott served most ably on the staff of this Committee, most recently as Chief Counsel and Staff Director. Mr. Catlett is a career VA employee who has risen through the ranks as a result of his dedicated effort and performance. I believe each nominee will serve, as officials in the Department of Veterans' Affairs, as well in the future as they have in the past.

Thank you Mr. Chairman. I look forward to reviewing the testimony presented by these nominees.

END

## OPENING REMARKS

JERRY W. BOWEN  
DIRECTOR (DESIGNEE) of the NATIONAL CEMETERY SYSTEM  
DEPARTMENT OF VETERANS AFFAIRS

Thank you, Mr. Chairman:

Mr. Chairman and members of the Committee, it is a great honor for me to be here as the President's nominee to be Director of the National Cemetery System.

And I am, indeed, deeply humbled that President Clinton, Secretary Brown and Deputy Secretary Goyer have all expressed their confidence in my qualifications to serve in this important position. I say humbled because, as one who has served in the United States Army for more than a quarter of a century, and as a veteran of our Nation's longest war, I am aware of the sacred trust which the American people place on those who administer and operate our Nation's national cemeteries.

Many of my friends are resting in some of the cemeteries which, upon my confirmation, I will be administering and caring for in the name of the American people. I can think of no position in the veterans service community which is more important than that of serving as Director of these national shrines. The delivery of the final benefit to our veterans and their families with dignity, respect and reverence, and maintaining these resting places in perpetuity for all to see and reflect on their sacrifices is perhaps the most memorable service our government can render to these deserving people. My intention is to continue, to the best of my ability, the magnificent job which the staff of the National Cemetery System has consistently demonstrated in meeting this trust.

The National Cemetery System faces some important challenges in the future. An aging veteran population is placing increasing pressure on our ability to provide adequate burial space for veterans who desire a National or State veterans cemetery burial. If confirmed as Director, I will be committed to those initiatives, programs and policies which will ensure that America's veterans and their families will continue to receive the burial benefits that the people of the United States have decreed that they are entitled.

And now, Mr. Chairman, I am ready to answer any questions that you or other Committee members may have.



# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

## PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name BOWEN JERRY WAYNE  
LAST FIRST OTHER

2. Present address 1913 Crestview Drive Jonesboro, Arkansas 72401  
(CITY) (STATE) (ZIP CODE)

3. Position to which nominated Director, National Cemetery System 4. Date of nomination: \_\_\_\_\_

5. Date of birth: 12 09 41 6. Place of birth: Jonesboro, Arkansas  
(DAY) (MONTH) (YEAR)

7. Marital status: Married 8. Full name of spouse: Connie Huey Bowen

9. Names and ages of children: Steven W. Bowen Age 29  
Scarlett S. Bowen Age 21

10. Education:

Institution (including city and State)	Dates attended	Degrees received	Dates of degrees
Grubbs Public Schools Grubbs, AR	1947-59	H.S. Diploma	May 1959
Arkansas State Univ. State Univ., AR	1959-64	B.S.A.	Jan. 1964
Arkansas State Univ. State Univ., AR	1971-72	M.B.A.	Dec. 1972
U.S. Army Command & General Staff College Ft. Leavenworth, KS	1974-75	Diploma	June 1975
U.S. Army War College Carlise Barracks, PA	1985-87	Diploma	June 1987
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

11. Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement

SEE ATTACHMENT A

- 12 Memberships List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant.

Organization	Office held (last five years)	Dates
U.S. Jaycees, Local Chapter Jonesboro, AR	Board Member and Vice President	1971-74
Kiwanis International, Local Chapter, Jonesboro, AR	Board Member and Committee Chairman	1981-84
American Cancer Society, Craighead County Chapter, AR	Board Member	1982-84
American Red Cross, Craighead County Chapter, AR	Volunteer	1991-92
Veterans of Foreign Wars	Life Member	1992-Present
Assn. for Uniformed Services	Life Member	1992-Present
The Retired Officers Assn.		1989-Present

- 13 Employment record

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

8/89 - 2/91 Roberts & Lloyd Real Estate, Inc., Chantilly, VA  
Real Estate Salesperson.

2/91 - 5/91 Fairfax County Government, Office of Agriculture and Continuing Education, Fairfax, VA, Consultant.

5/91 - 1/92 JESTCO Fitness, Inc. Jonesboro, AR, Chairman and Director.

5/91 - 1/92 Farming Operation, Newport, AR, Owner.

1/92 - 1/93 "Clinton for President" and "Clinton/Gore 92" Presidential Campaign Committees; Little Rock, AR, Director, Motorcade Operations, Special Events Coordinator; and Deputy National Campaign Manager for Veterans Affairs.

- 14 Military service List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

SEE ATTACHMENT B

15 Government  
experience

List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

None

16 Published  
writings

List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

None

Political  
affiliations  
and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

"Clinton for President" Committee - Motorcade Director  
Special Events Coordinator

"Clinton/Gore '92" Presidential Committee - Deputy National  
Campaign Manager for  
Veterans Affairs

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved.

None

18 Future  
employment  
relationships

- (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate

No - will not be necessary. Involved with two family-owned  
businesses in Arkansas with no government contracts.

- (b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

Yes

- (c) What commitments, if any, have been made to you for employment after you leave Federal service?

None

- (d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

- (e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election?

Yes

19 Potential  
conflicts  
of interest

- (a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated

None

- (b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated.

None

- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated

None

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- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy

None

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- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

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20 Testifying  
before the  
Congress

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

Yes

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- (b) Do you agree to provide such information as is requested by such a committee?

Yes

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Jerry W. Bowen

## SENATE QUESTIONNAIRE

### PART I, ATTACHMENT A

11. Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognition for outstanding service or achievement.

#### HONORS:

Delta Tau Alpha Honorary Scholastic Society  
 Phi Kappa Phi Honorary Scholastic Society  
 "Who's Who in American Colleges and Universities"  
 Army ROTC Distinguished Military Graduate  
 "Outstanding Young Men of America" selection in 1974 for service,  
 achievement and leadership with the United States Jaycees

#### MILITARY AWARDS AND DECORATIONS include:

Legion of Merit with Oak Leaf Cluster  
 Bronze Star Medal with Oak Leaf Cluster  
 Meritorious Service Medal with two Oak Leaf Clusters  
 Joint Service Commendation Medal  
 Army Commendation Medal with Oak Leaf Cluster  
 National Defense Service Medal  
 Vietnam Service Medal with four Service Stars  
 Armed Forces Expeditionary Medal  
 Vietnam Campaign Medal  
 Republic of Vietnam Gallantry Cross  
 Combat Infantryman Badge  
 Senior Parachutist Badge  
 Ranger Tab  
 Pathfinder Badge  
 Department of Army Staff Identification Badge

Jerry W. Bowen

## SENATE QUESTIONNAIRE

### PART I, ATTACHMENT B

14. Military service: List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

<u>Month/Year</u>	<u>Rank/Unit/Position/Address</u>
8/62 - 1/64	U.S. Army Reserve Private First Class (E3) - Corporal (E4) 4th Bn, 73d FA USAR Communications Specialist/Driver U.S. Army Reserve Center, Jonesboro, AR Honorably discharged to accept Commission
1/64 - 8/64	Regular Army Second Lieutenant (O1) U.S. Army Infantry School Student, Infantry Officer Basic Course, Airborne Training and Ranger School Fort Benning, GA
8/64 - 1/67	Second Lieutenant (O1) -- First Lieutenant (O2) 82d Airborne Division Rifle Platoon Leader and Company Commander Fort Bragg, NC, and Santo Domingo, Dominican Republic
1/67 - 1/68	Captain (O3) U.S. Military Assistance Command, Vietnam Advisor to The Republic of Vietnam Forces U.S. Army Advisor TM #38, Bao Loc, Vietnam
1/68 - 4/69	Captain (O3) U.S. Army Infantry School Student Company Commander and Infantry Officer Advance Course Student Fort Benning, GA

Jerry W. Bowen

**MILITARY SERVICE (continuation of question 14)**

<u>Month/Year</u>	<u>Rank/Unit/Position/Address</u>
4/69 - 6/70	Captain (03) 5th Infantry Division (Mech) Company Commander and Division Staff Officer Fort Carson, CO
6/70 - 5/71	Captain (03) U.S. Military Assistance Command, Vietnam Advisor to the Vietnam equivalent of the Pentagon Joint Chiefs of Staff U. S. Army Advisor TM #78, Saigon, Vietnam
5/71 - 8/74	Captain (03) U.S. Army 3d ROTC Region Student for Masters Degree and Assistant Professor of Military Science Fort Riley, KS, with duty at Arkansas State University Jonesboro, AR
8/74 - 7/75	Major (04) U.S. Army Command and General Staff College CGSC Resident Student Fort Leavenworth, KS
7/75 - 7/78	Major (04) U.S. Army Europe, VII Corps Battalion Operations Officer, Aide-de-Camp, VII Corps Commander, and Battalion Executive Officer Bamberg and Stuttgart, FRG
7/78 - 1/81	Major (04) - Lieutenant Colonel (05) U. S. Army Region II Readiness Command Advisor to Army National Guard and Army Reserve Units in New York Newburgh, NY

Jerry W. Bowen

**MILITARY SERVICE (continuation of question 14)**

<u>Month/Year</u>	<u>Rank/Unit/Position/Address</u>
1/81 - 8/84	Lieutenant Colonel (05) U.S. Army 3d ROTC Region Professor of Military Science Fort Riley, KS, with duty at Arkansas State University Jonesboro, AR
8/84 - 9/87	Lieutenant Colonel (05) - Colonel (06) Headquarters, Department of the Army Chief, Army Protocol Office The Pentagon, Washington, DC
9/87 - 9/88	Colonel (06) Army National Guard Directorate, NGB Chief of Staff The Pentagon, Washington, DC
9/88 - 8/89	Colonel (06) U.S. Army Military District of Washington Deputy Operations Officer Fort McNair, Washington, DC
8/1/89	Colonel (06) Retired from Active Duty Fort Myer, VA Honorable Discharge



United States

## Office of Government Ethics

1201 New York Avenue, NW., Suite 500

Washington, DC 20005-3917

MAY 5 1993

The Honorable John D. Rockefeller IV  
Chairman  
Committee on Veterans' Affairs  
United States Senate  
Washington, DC 20510-6375

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Jerry W. Bowen, who has been nominated by President Clinton for the position of Director, National Cemetery System, Department of Veterans Affairs.

We have reviewed the report and have also obtained advice from the Department of Veterans Affairs concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Bowen is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

A handwritten signature in cursive script, reading "Stephen D. Potts".

Stephen D. Potts  
Director

Enclosure

Pre-Confirmation Hearing Questions to Jerry W. Bowen  
Director-designate, National Cemetery System  
from the Chairman, Senate Committee on Veterans Affairs

1. Please describe your concept of the nature and extent of the Federal Government's obligations to the Nation's veterans and their dependents and survivors. In your response, please identify any specific groups within the veteran population that you believe are owed special obligations.

As a military retiree and a Vietnam veteran, I believe I have a special sensitivity for America's 27 million veterans. I think we owe a debt to the men and women who served, and who, whether a shot was ever fired at them or not, were willing to lay their lives on the line for our Nation. Veterans are people who served either when called or as volunteers and I believe we have an obligation to those who served. Throughout our history, the American people have recognized this obligation through the veterans programs that have been enacted into law. I fully support educational benefits, health care, compensation and pension, insurance, and burial benefits for veterans. The National Cemetery System's mission is to provide burial for veterans and their eligible dependents in the most dignified manner and setting. I strongly believe that our national cemeteries are a link for today's generations with our country's history and past generations. The tradition of patriotism, service and valor becomes real for those who walk among the heroic dead resting in our national cemeteries. We must maintain the national cemeteries so they visibly honor America's veterans. In our cemeteries, veterans rest row on row together—general next to private, admiral beside seaman. We make no distinction there. VA already provides for the special needs of individual living veterans, and I believe that is as it should be—that we owe no special or unique obligations to specific groups of veterans above others.



2. Please describe the specific aspects of your prior experiences and professional positions that qualify you to manage the National Cemetery System.

I believe there is no better training ground for leadership and management than the United States military. In my 26 years as a career Army officer, I was assigned progressively more complex and diversified management responsibilities. I served overseas four times and had three separate combat tours of duty.

While in the Army, I served as an operations officer, in management capacities, and in command positions. Fiscal responsibility was also one of the skills that I was required to master. The military provided me the opportunity to employ what I learned earning my Masters degree in business administration. It also provided me the opportunity to use the organization and leadership skills developed at the Army Command and General Staff College and the Army War College. I think the position of Director of the National Cemetery System bears a resemblance to some of the positions I held in the Army. The Director's job is very much a personnel job. This applies to the Director's relationship and dealings with the veteran population served by the National Cemetery System and with the personnel in the System itself.

Since the death of my father in 1975, I have been extensively involved in the management of the family 400-acre rice and soybean farm in Arkansas. Upon retirement from the military, I returned to Arkansas and established another business within the health and fitness industry. Thus, in addition to my military background, I also have had practical experience in the business world.

Aside from my professional credentials, I also bring a veteran's perspective to this position. I am proud of having served my Country and empathize with the concerns of the veteran population. I consider this position a wonderful opportunity for me to continue service to my Country through service to my fellow veterans.

3. Burial capacity in our national cemeteries continues to decline. With an aging population, what are your long-range strategic plans for the National Cemetery System as more and more cemeteries reach maximum capacity?

The National Cemetery System's strategic plan for meeting the challenge of an aging veteran population is to ensure that we have sufficient burial space located in the areas of the country with demonstrated greatest need. Specifically, the National Cemetery System intends to: (1) Establish, when feasible, new national cemeteries to serve the needs of the veteran population; (2) Extend the service period of open national cemeteries through the development of available space for cremated remains, (3) Acquire land through purchase or donation to keep existing cemeteries open, and (4) Encourage States to provide additional gravesites for veterans through participation in the State Cemetery Grants Program.

4. What are the major problems you think the National Cemetery System faces? What steps do you propose to take to address those problems?

I have already mentioned my belief that the choice of burial in a national cemetery or state veterans cemetery should be available for veterans. I also believe that we have a duty to maintain our cemeteries in a manner that expresses our pride in the service and sacrifice of the veterans buried there. Although I have observed the operations of the National Cemetery System for a short time, I believe there is an increasing need to provide burial space and maintain it. Given the financial climate, the National Cemetery System must carefully evaluate all options, including the development of additional gravesites, whether by establishment of new cemeteries or by acquisition of land to expand existing open cemeteries. We must also support the efforts of States to establish, expand or improve state veterans cemeteries as they complement our efforts. We must monitor and use all available data and changes in demographics. For example, we know that our rate of interment for cremated remains is higher than the national average. The National Cemetery System has already been forward-thinking in using that information. The National Cemetery System has constructed a new smaller interment site and a new smaller flat marker to increase available space for cremated remains. By doing this, the National Cemetery System will be able to bury more veterans in less space.

It is evident that the need for burial space is increasing because of the aging of the World War II veteran population. The National Cemetery System must not only consider the effect this has on cemetery space and maintenance, but how it influences other programs of the National Cemetery System.

We must make decisions now that will be respected in the future. To do that, we need to manage well. That means we look not only at the objectives of our program, but to the people who run it, who meet the grieving families, who bury their dead, and who care for their graves. In the meetings I have attended, and the cemeteries I have visited, I have been impressed with those who represent the National Cemetery System. I want them to be equally impressed with the job we do by making decisions that help them perform their work.

I am still learning and still absorbing. I do assure you that, if confirmed, the steps I take will be ones to meet our objectives, to use our resources well--both financial and human resources--and to effect change when I feel confident we will be better for it.

5. Please describe any changes in operations, policies, organization and administration of the National Cemetery System that you believe are needed.

I have not been with the National Cemetery System long enough to respond specifically to this question. I am still learning. I have met the three Area Office Directors and visited several cemeteries where I spoke with the directors and other cemetery staff. From what I have observed so far, I cannot propose any changes at this time. I have been impressed with the dedication of National Cemetery System employees who do their best to serve America's veterans and their families in their time of need.

6A. What is your assessment of the current staffing levels of the National Cemetery System?

This is a matter I will have to look into more fully in the weeks ahead. My understanding is that the National Cemetery System has been operating with a shortfall of employees for quite some time. Obviously, the National Cemetery System has focused its efforts on the immediate mission of providing interment services to all eligible veterans, while graves and grounds maintenance activities may have suffered.

Secretary Brown has recognized our needs, even though the National Cemetery System has to share in the effort to reduce the Federal budget deficit and implement Government-wide reductions. The Secretary has taken the step of ensuring that the three operating administrations within VA have assistance. He has supported a slight increase in employees for the National Cemetery System. The 1994 budget submission includes an 11-employee increase for the cemeteries, which will address part of the anticipated workload increases for 1994. We have partially offset this increase by reducing our Central Office and Office of Memorial Programs staffing. If I am confirmed, I will review further the matter of staffing for the National Cemetery System, and will do everything in my power to pursue appropriate staffing levels.

68. What plans do you have relating to the organizational structure and staffing of the Director's office and do you intend to bring any new staff to work with you as Director? If yes, please indicate what titles and responsibilities such new staff would have.

I have no plans to change the organizational structure of the Director's office. Two positions in the Office of the Director are held by career employees. They are the Director's secretary and the Executive Assistant to the Director. Traditionally, the National Cemetery System has had a Schedule C special assistant assigned to the Director and I anticipate this will continue. I expect no changes in staffing levels.



7. What is your assessment of the IRM capacity within the National Cemetery System, both in Central Office and in field facilities?

In the last year the National Cemetery System has made a quantum leap in IRM, having opened a Systems Integration Center in Quantico, Virginia, devoted to developing and operating the new nationwide systems. The first project at the Center was the Burial Operations Support System, or BOSS, which is already in testing at Quantico National Cemetery and scheduled to start further testing with Fort Sam Houston and Leavenworth National Cemeteries during the next month. Once validation testing is completed, the National Cemetery System will begin to install at the rest of its cemeteries. We expect BOSS to be fully operational for fiscal year 1995.

The National Cemetery System has adequate resources to support Central Office IRM and systems development, although projects will have to be done one-at-a-time rather than concurrently.

In the field, the cemeteries are supported by ADP specialists in each Area Office, the servicing station, and Central Office. The National Cemetery System has made this level of support sufficient by consciously centralizing requirements for specialized technical knowledge and skills at the Systems Integration Center. We will hold the line by not placing new demands for technical skills in the field.

Software development is scheduled for the next several years at the Center and the resulting systems will be operated nationwide by the communications now being installed. The National Cemetery System will reap the benefits of these investments immediately and in the future.

8. For many years there has existed a significant equipment backlog. In your opinion, what actions are necessary to get adequate equipment to ensure that the cemeteries are adequately maintained?

By the end of 1993 the backlog of equipment in need of replacement will be reduced to \$5.8 million. With the need to reduce the Federal budget deficit, the National Cemetery System has requested only sufficient funding in 1994 to maintain the progress already made against the backlog; no further progress will be made that year. In a different budgetary climate the National Cemetery System would have preferred a higher level of funding in order to continue the progress already made, but with the sacrifices being asked of all Americans by the President and the Congress in order to reduce the deficit, I feel this is a reasonable funding request and as good as could be hoped for.

9. The National Cemetery System has experienced significant shortfalls in funding for both personnel and equipment. Recently, Secretary Brown wrote to inform us of his intention to reprogram \$3.5 million within the VA Minor Construction Appropriation from the National Cemetery Program and Staff Office line item to the Regional Office Program in order to support the Veterans Benefits Administration ADP modernization efforts. What impact will this reprogramming of funds have on existing needs for National Cemetery System minor construction programs?

It is my understanding that of the \$3.5 million, \$1 million was reprogrammed from National Cemetery System programs. This reprogramming was closely coordinated with the National Cemetery System. While the National Cemetery System has designated use for this funding, it would not be obligated by the end of fiscal year 1993. It made sense to shift this funding to the Veterans Benefits Administration's modernization effort, as the need there was immediate. From what I have been told, the reprogramming was agreed to with the understanding that if the remaining National Cemetery System funding becomes depleted and the National Cemetery System has additional projects that can be obligated, then other VA minor construction unobligated balances would be examined with an eye to help fund pending National Cemetery System projects. If funds are required to make the National Cemetery System minor construction awards, I am confident the funds will be provided.

10. For a number of years there have been concerns raised about the availability of burial space for Native American veterans. Please describe what actions have been taken and need to be taken to ensure that Native American veterans, particularly those who live on tribal lands, have adequate opportunities to the burial benefits they are entitled to receive.

Native American veterans who meet the eligibility requirements receive the same burial benefits as other veterans. The National Cemetery System's public affairs program cooperates with State veterans officials to try to reach all veterans within a State so they may learn about national cemeteries.

Sometimes a tribal government will express interest in establishment of a veterans cemetery through the State Cemetery Grants Program. In 1983, the Bureau of Indian Affairs made a formal request on behalf of the Tribal Government of Puget Sound to participate in the State Grants Program. VA's General Counsel's opinion was that ". . . a tribal government would be considered a distinct government entity and not a State" for a Federal grant. Since that time, we have met or heard from other tribal governments occasionally. We explain that eligible Native American veterans may be buried in national cemeteries, and that we will provide a headstone or marker, if requested, for an eligible veteran buried on tribal land, but that we cannot at this time provide Federal grants for the establishment, expansion, or improvement of a veterans cemetery on tribal lands.

11. At the present time the Federal Government is at various stages for development of new national cemeteries at Albany, Chicago, Cleveland, Dallas and Seattle. Please advise me of the status of each of these projects and what improvements in meeting the burial needs these cemeteries will provide.

If constructed the five cemeteries would serve an estimated 10 percent of the veteran population. The present status, is:

1. Albany: The Environmental Impact Statement was completed and a site selected at Saratoga. The contract for achitectural/engineering services for master planning and design was awarded in April 1993.

2. Chicago: The Secretary of Veterans Affairs has written twice to the Secretary of Defense making an offer of \$6.945 million for approximately 160 acres of land at Fort Sheridan. A formal response has not yet been received.

3. Cleveland: The Environmental Impact Statement was completed and a site selected in Guilford Township in Medina County. The boundary survey for the land is now in progress. VA has advertised for bids for architectural/engineering services for master planning and design.

4. Dallas/Fort Worth\*: The Environmental Impact Statement was completed and a site selected at Mountain Creek. An advertisement for architectural/engineering services for master planning and design was placed in March 1993.

5. Seattle: The Environmental Impact Statement has been completed and a site selected at Tahoma. An advertisement for architectural/engineering services master planning and design was placed in March 1993.

\*NOTE: Land acquisition funds have been provided for all projects except Dallas/Fort Worth.

12. In fiscal year 1992, there were more than 64,600 VA interments, with 49,061 casketed and 15,541 cremated remains. This ratio represents a continuation of a changing trend away from casketed remains. Please comment on the implications of this trend for the future needs of the National Cemetery System. Include in your response present and future needs for columbaria and garden niches.

The use of cremation is increasing as an accepted and preferred method of interment. The National Cemetery System provides the option of in-ground interment of cremated remains at all open national cemeteries and at many cemeteries closed to casketed interments. During 1992, the National Cemetery System designed uniform three-by-three-foot cremated remains sites at newly developed sections of existing cemeteries and developed new, smaller-scale flat markers for these sites, more in proportion to their size and aesthetically pleasing.

The National Cemetery System also uses columbaria at certain national cemeteries, but the construction of columbaria has not proven to be the most cost-efficient option for interment of cremated remains due to the substantial construction costs compared with development of in-ground space. At some closed cemeteries, however, and at open sites with less space available, the construction of columbaria becomes an option. The National Cemetery System will continue to provide columbaria at those existing national cemeteries which have offered burial in a columbarium in the past.

Plans for new national cemeteries proposed for construction include columbaria, and columbaria construction has been planned in the current National Cemetery System five-year construction program for nine existing national cemeteries (Beverly, Calverton, Camp Butler, Fort Rosecrans, Long Island, National Memorial Cemetery of Arizona, Riverside, Willamette, and Wood).



13. Since 1978, more than \$34 million has been spent under the State Cemetery Grants Program. Please describe the effectiveness of this program in assisting the national Government's effort to provide adequate burial space accessible to our Nation's veterans. Please describe any problems you see with this program.

At the inception of the State Cemetery Grants Program in 1978, 22 states had no veterans cemeteries. At the end of 1992, that number had been reduced to three as a result of veterans cemeteries established through Federal funding. These cemeteries provide a potential 1.2 million additional gravesites in the United States and Guam. States which have expressed interest for future participation in the program include Georgia, Kentucky, Missouri, New Hampshire, New Jersey, North Carolina, Rhode Island and Virginia. In addition, the State of Hawaii, which recently established a State veterans cemetery on the island of Oahu, has expressed an interest in the future upgrading of established State Veterans Cemeteries on the neighboring islands of Kauai, Maui, Molokai, and Hawaii. The State's master plan includes establishment of an additional cemetery on the island of Hawaii and one on the island of Lanai.

14A. The National Memorial Cemetery of the Pacific (the Punchbowl) was closed to new burials in 1991. Are there any plans to purchase or acquire additional land for expansion of this cemetery?

There are no plans to acquire additional lands for the National Memorial Cemetery of the Pacific (NMCP). Through the State Cemetery Grants Program, a State Veterans Cemetery has been developed to serve the needs of veterans on Oahu, Hawaii. In addition, there is a State Veterans Cemetery on each of the other major islands--Hawaii, Maui, Kauai, and Molokai--and the State's master plan includes establishment of an additional cemetery on the island of Hawaii and one on Lanai.

14B. At the National Memorial Cemetery of the Pacific (the Punchbowl), there are significant problems with traffic congestion and security. What actions will you take to address these problems at our Nation's most visited national cemetery?

I recently spoke with the cemetery director of the National Memorial Cemetery of the Pacific. He has worked closely with members of Senator Akaka's staff, local veterans groups and other concerned organizations to reach an acceptable compromise that will accomodate visitors while maintaining the dignity of the cemetery. The drive-through program will continue. The National Cemetery System also funds two contract security guards/traffic controllers to ensure the safety of visitors and to regulate the flow of traffic. In addition, plans are being finalized for a guided walking tour that will emphasize the history and tradition of our Nation's most visited national cemetery. We are working with the Hawaii Army Museum Society on a proposal to establish the tour as a non-profit venture at no cost to the National Cemetery System.

14C. What is the status of the sprinkler system renovation project at the National Memorial Cemetery of the Pacific (the Punchbowl)?

A significant \$2.3 million water improvement project is included in our fiscal year 1993 minor construction budget. Currently, an architect/engineering firm has been hired, construction documents are being developed, and a construction award is anticipated for August 1993. This project will enhance the irrigation capability of the cemetery.

**Post-Confirmation Hearing Questions to Jerry W. Bowen,**

**Director-designate, National Cemetery System**

**from**

**Senator John D. Rockefeller IV**

**Chairman, Committee on Veterans Affairs**

**Question 1:** VA budgets in recent years have included funding to support the implementation of a Burial Operations Support System and to update and convert the Automated Monument Application System. Does the FY 1994 budget contain adequate funding for these systems?

**Answer:** The National Cemetery System has adequate resources to support both the Burial Operations Support System (BOSS) and the Automated Monument Application System (AMAS). Validation testing has already started on BOSS at Quantico National Cemetery. Installation will begin at the national cemeteries before the end of Fiscal Year 1993, and the system will be fully operational by the start of Fiscal year 1995. AMAS redesign efforts in 1994 will consist solely of preliminary analysis and study of design alternatives, which will be performed in-house within current staffing levels. Funding for software development and hardware will not be required before Fiscal Year 1995.

**Question 2:** The Administration's FY 1994 budget for NCS is essentially static, what baseline funding figure above the \$70.5 million requested has VA determined to be necessary to prevent a decline in the operations of the NCS?

**Answer:** The requested level of \$70.5 million represents a level that will be sufficient to prevent any decline in the operations of NCS. It will, for instance, allow a net increase of five FTEE within NCS, with an increase of eleven FTEE in the field as a result of a transfer of six FTEE from Central Office. Other savings result from decreased requirements for the Employee Compensation payment to the Department of Labor and from reductions in planned spending for replacement equipment. The revised replacement equipment funding level will permit NCS to maintain the progress achieved through 1993 against the replacement equipment backlog, but it will not permit further progress to be made in 1994.

Page 2.

Post-Confirmation/Jerry W. Bowen

**Question 3:** In response to one of my prehearing questions, you noted that VA's General Counsel had issued an opinion that found that "... a tribal government would be a distinct government and not a State" for a Federal grant under the VA program of assisting States with the establishment of State veterans' cemeteries. Without disagreeing with the interpretation of the law, this seems to me to be a problem that can and should be fixed. Would you support an amendment to the law to allow tribal governments to apply for funds under the State Cemetery Grants Program?

**Answer:** In concept, I have no objection to the law including tribal governments among those eligible to receive Federal funds to establish veterans cemeteries. State Cemetery Grants Program participants are required to comply with Title VI of the Civil Rights Act of 1964. I do support making the benefit of burial as readily available as feasible.

**Question 4:** In review of the FY 1994 budget, a total of \$500,000 has been requested for design function. If the VA still plans to move forward with establishing new cemeteries in Albany, Cleveland, Chicago, Seattle or Dallas, how will these design monies be spent?

**Answer:** If we proceed with these five cemeteries, the acquisition process will probably allow serious consideration of design at Seattle. Land at Tahoma will be acquired in March 1994 if current timetables hold. This will give us six more months in the fiscal year to award a design contract. I believe there is enough flexibility in the design fund also to allow us to fund Albany and Cleveland if other events fall into place. As for Dallas, there are not funds currently available for us to purchase the land at the Mountain Creek site. We are proceeding with some master planning from appropriated master plan funds to more accurately identify the portion of land that we specifically need at the site. We cannot go ahead with the design award until we have monies available to actually purchase the land. Chicago is on temporary hold until we receive a formal response from the Secretary of Defense of Secretary Brown's offer of \$6.945 million to purchase 160 acres at Fort Sheridan for establishment of a national cemetery.

## OPENING REMARKS

D. MARK CATLETT  
ASSISTANT SECRETARY (DESIGNEE) FOR FINANCE AND  
INFORMATION RESOURCES MANAGEMENT  
DEPARTMENT OF VETERANS AFFAIRS

Thank you, Mr. Chairman, for the opportunity to appear before you and the members of this Committee as the President's designee to become the Assistant Secretary for Finance and Information Resources Management in the Department of Veterans Affairs. I would like to express my sincere gratitude to President Clinton, Secretary Brown and Deputy Secretary Gober for their confidence and trust in me to execute the functions of this office.

It is with a deep sense of pride and honor that I welcome this opportunity to continue my service to our veterans. As you know, Mr. Chairman, for the past four years I have served as the Deputy Assistant Secretary for Budget. During my tenure, I have had the opportunity to witness first hand the importance of maintaining an open working relationship with the committees of Congress. With our continued alliance, I believe that together we will provide the very best for our nation's veterans.

This is an exciting time for VA as we are confronted with the challenges of providing improved service to our veterans within tighter fiscal constraints. Given the realities of limited budgetary resources, it is essential that we focus our energies on



enhancing the management of our financial and information resources operations so that veterans and their dependents receive the care and attention to which they are entitled. As a means to this end, I will work toward fostering a working environment that encourages a spirit of cooperation and professionalism among the three administrations within the department as well as the support functions. I strongly believe that a sound working relationship within the various components of VA is essential if we are to best meet the goals of the Department. In accordance with this, I would like to briefly share with you some of my priorities for the next several years.

I look toward the completion of the VA Financial Management System (FMS) which will automate and integrate our financial tracking system to meet the standards set forth in the Federal Managers Integrity Act of 1981. With the modernization of our financial systems, we can ensure that scarce resources will be utilized in the most efficient way possible.

We will also focus our efforts to expedite the implementation of the Master Veterans Record initiative which will integrate all veterans' data systems. This initiative is an essential component of our efforts to improve the accessibility of services. Rather than requiring veterans to adapt to the ways of the Department, our Master Veterans Record project tailors our information systems to meet the needs of veterans. In the short-term, implementation of this initiative will pave the way toward developing data exchanges

for all our current data systems. For the long term, we need to begin the redesign of all data systems.

Significant attention will also be placed on integrating performance measurements into the budget formulation and execution process. The Department has already begun to develop the system of performance measures mandated by the CFO Act of 1990. I believe the incorporation of these performance measures to be intrinsic to attaining an improved budget formulation and execution process.

Mr. Chairman, I look forward to working with you and the other members of the committee and their staffs, in meeting these future challenges. I would be very pleased to answer any questions that you and other members of the committee may have.

# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

## PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name Carlett David Mark  
(LAST) (FIRST) (OTHER)

2. Present address: 714 Old Hunt Way Herndon VA 22070  
(CITY) (STATE) (ZIP CODE)

3. Position to which nominated: Assistant Secretary for Finance and Information Resources Management

4. Date of nomination: APRIL 28, 1973

5. Date of birth: 22 4 52 6. Place of birth: Martinsburg, W.VA  
(DAY) (MONTH) (YEAR)

7. Marital status: Married 8. Full name of spouse: Sally Ann (Snapp) Catlett

9. Names and ages of children: A. Marisa 12  
N. Ryan 7

10. Education.

Institution (including city and State)	Dates attended	Degrees received	Dates of degrees
West Virginia University	1970-1974	Bachelor of Arts	May, 1974
West Virginia University	1975-1976	Masters of Public Admin.	July, 1976

11. Honors and awards

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Phi Beta Kappa

Mountain - Senior Men's Honorary - WVU

Public Service Fellowship for Masters Program

Athletic Scholarship - WVU Basketball

12. Memberships. List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant

Organization	Office held (if any)	Dates
American Association of Budget and Program Analysis	---	1980-1985
CHARITABLE:		
Nature Conservancy		1990 - Present
Clean Water Action		1988 - Present
Assoc. for Preservation of Civil War Sites, Inc.		1990 - Present
Friends of National Parks at Gettysburg		1992 - Present
Friends of National Zoo		1985 - 1989

13. Employment  
record:

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

Temporary positions while in school

General Motos, Martinsburg, WVA 6/73 - 8/73, laborer

West Virginia University, Morgantown, WVA 1/75 - 8/75 orderly

Several other positions of less than 2 months in 1974 & 1975

Veterans Administration, Washington, DC

7/76 - 12/81 Budget Analyst

12/81 - 2/86 Supervisory Budget Analyst

2/86 - 10/87 Assistant Director of Budget, 10/87-7/89 Deputy Director  
of Budget

Department of Veterans Affairs, 7/89-present, Deputy Assistant Secretary  
for Budget

14. Military service. List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

N/A

15. Government  
experience

List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

N/A

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16. Published  
writings:

List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

N/A

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17. Political  
affiliations  
and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

N/A

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(b) List all elective public offices for which you have been a candidate and the month and year of each election involved.

N/A

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18. Future  
employment  
relationships.

- (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate

N/A

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- (b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

N/A

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- (c) What commitments, if any, have been made to you for employment after you leave Federal service?

N/A

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- (d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

N/A

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- (e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election?

Yes

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19. Potential  
conflicts  
of interest.

- (a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

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- (b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated

None

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- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent that constitutes a potential conflict of interest with the position to which you have been nominated

None

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- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

None

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- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

N/A

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20. Testifying  
before the  
Congress

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

yes

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- (b) Do you agree to provide such information as is requested by such a committee?

yes

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United States

**Office of Government Ethics**

1201 New York Avenue, NW., Suite 500

Washington, DC 20005-3917

APR 30 1993

The Honorable John D. Rockefeller IV  
 Chairman  
 Committee on Veterans' Affairs  
 United States Senate  
 Washington, DC 20510-6375

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by David M. Catlett, who has been nominated by President Clinton for the position of Assistant Secretary for Finance and Information Resources Management at the Department of Veterans Affairs.

We have reviewed the report and have also obtained advice from the Department of Veterans Affairs concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Catlett is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Stephen D. Potts  
 Director

Enclosure

Responses of  
 D. Mark Catlett  
 Assistant Secretary of Veterans Affairs - designate,  
 Finance and Information Resources Management)  
 to Pre-hearing Questions from  
 Senator John D. Rockefeller IV  
 Chairman, Committee on Veterans' Affairs

1.a. Please describe the concept of the nature and extent of the Federal Government's obligations to the Nation's veterans and their dependents and survivors. In your response, please identify any specific groups within the veteran population that you believe are owed special obligations.

Our government has a clear, moral obligation to our Nation's veterans and their families to provide them high quality care and benefits they need to carry on a full life. I believe these services should be provided efficiently, effectively and compassionately in the spirit of gratitude. All veterans are deserving of our obligations to them, but specifically those that are disabled due to the hazards of military service.

1.b. As a general matter, how well do you believe the government and, more specifically, the Department of Veterans Affairs, is meeting those obligations?

Generally, I believe the federal government fulfills its commitment to those men and women who have defended our nation. Within VA, I find a sincere commitment to this responsibility. Although the commitment to service delivery to veterans is much more evident in the field with the daily contact with veterans, Central Office employees take pride in the department's care for veterans and their special needs.

2. With regard to the position of Assistant Secretary for Finance and Information Resources Management, please describe:

2a. your major responsibilities if you are confirmed.

If confirmed, my major responsibilities will be to assure that the budget, financial management and IRM functions support the mission of the Department of Veterans Affairs. It is the function of the office of the A/S to ensure that budget plans are consistent with the President's policy and the Secretary's goals for VA by maximizing the use of our funds. As Chief Financial Officer, and in concert with Federal Managers Financial Integrity Act (FMFIA), I see the following as my primary functions:

o Support VA's mission to serve our veterans effectively and efficiently, and to advocate adequate funding to enable that support,

o Specifically, establish and integrate financial management systems, develop and ensure adherence to policies and procedures that will enable us to properly account for federal funds, and to direct and manage VA's financial operations.

o establish, review and enforce VA's internal control policies, standards and compliance guidelines; establish internal control processes; advise the Secretary on accuracy and completeness of annual FMFIA report and participate in monitoring/requiring corrective actions on material weaknesses and high risk areas,

o oversee the design and management of information systems which provide for efficient retrieval of accurate, up-to-date employee and veteran records, and

o implement performance measurement throughout VA and set high standards for ourselves in that regard.

2.b. your access to the Secretary, Deputy Secretary, and other key members of the Department's management team, both now, in your position as Acting Assistant Secretary, and if you are confirmed.

I am pleased to say that I have enjoyed full access to Secretary Brown, Deputy Secretary Gober and all key members of VA. They have been extremely clear that they have an open door policy and very open lines of communication, in a participatory atmosphere. I feel confident that should I be confirmed this access and open communication will continue.

2.c. what role, if any you anticipate playing in the formulation and implementation of Department policies and plans -- for example, on VA's role in national health reform or in improving the timeliness and quality of claims processing and adjudication.

As an Assistant Secretary, I will serve as an adviser to the Secretary and Deputy Secretary on all issues facing the VA based on my knowledge, experience and expertise as a long time VA career official. As Assistant Secretary for Finance and IRM (F/IRM), I will provide guidance and recommendations on changes to our financial and information systems that will be needed to fulfill VA's health care role within a new national system and benefits processing responsibility which requires improvements in timeliness.

2.d. what role you anticipate the Office of Finance and Information Resources Management will play in the development of VA's legislative program and specific legislative proposals.

The Office of Finance and Information Resources Management will work in concert with the Office of Policy and Planning as well as the General Counsel to ensure that our planning, legislative, budget and policy-making activities are integrated and support achievement of our legislative agenda. In particular, our role is one of providing the budgetary and program expertise required in the development of sound legislative programs.

2.e. the relationship you and your office will have with other elements within the Department, such as the Veterans Benefits Administration, the Veterans Health Administration, the National Cemetery Service, the Inspector General and the General Counsel.

We must remember that the services to veterans are provided by VHA, VBA and NCS. Our responsibility is to support those activities. In our functional areas of finance and IRM, we need to improve our coordination and interaction. With the General Counsel a good working relationship exists that allows us to deal with very tight deadlines in the coordination of the legislative and budget processes. The Office of Finance and IRM (O/FIRM) has a sound working relationship with IG organizations vis-a-vis VA's management control programs. O/FIRM and IG staffs work closely and cooperatively on VA's IG Act Amendments of 1988, Management Report, and on day-to-day implementation of the Department's FMFIA process.

3.a. Please describe the nature and quality of the relationship that existed between the Office of Finance and IRM and the Office of Management and Budget during the time you were employed by VA during the previous two Administrations.

During the past twelve years, I have been afforded the opportunity to work with several policy levels within the Office of Management and Budget. Serving in the capacities of Deputy Director for Budget and the Deputy Assistant Secretary for Budget, I have been in contact on a regular basis with the Deputy Associate Director for Human Resources Division and the Chief of the VA Branch. During my tenure as the Deputy Director and the DAS for Budget, my primary responsibilities included advising top VA management on all financial and budgetary issues related to the Department. This information was instrumental in the negotiations between the Secretary and the Director of OMB. I would describe the professional relationship between the Office of Finance and IRM and OMB as one that was open and effective.

3.b. Please describe whether and how that relationship has changed, or how you expect it will change, under the new Administration and indicate any steps you intend to take to improve or otherwise change this relationship.

In the last Administration, the OMB oversight became more policy oriented and less focused on individual project issues. I hope to see that trend continue under our new Administration. I expect the working relationship between the Office of Finance and IRM and OMB to continue to be positive and productive. Understanding that OMB's function is to assure that the President's fiscal and managerial policies are reflected in agency budgets, our budget will continue to reflect these policy goals as well as the policy goals of the Secretary.

Looking toward the future, I would hope the National Performance Review initiative which is being coordinated by the management side at OMB will foster more open communications between the management and budget sides at OMB. As the CFO liaison my focus at OMB will be with the management side; and I hope to find ways to coordinate policy between management and budget and to better integrate management issues with the budget process.

3.c. Please list the names and titles of officials and employees at OMB with whom you have, or expect to have, significant and frequent contact and generally describe your relationship with OMB personnel, including the Director and Deputy Director.

On a regular basis, I have contact with the following OMB personnel to discuss budget, financial, and policy issues:

Isabel Sawhill  
Program Associate Director for Human Resources

Barbara S. Selfridge  
Program Deputy Associate Director for Human Resources

Todd Grams  
Chief, Veterans Affairs Branch

Edward J. Mazur  
Comptroller, Office of Federal Financial Management

Harold Steinberg  
Deputy Comptroller, Office of Federal Financial Management

3.d. If a Member of Congress requests financial data or other information from your office, what role would OMB play in reviewing, approving or modifying the information before it is provided to Congress?

All financial data and other information that is required by law to be reviewed by OMB prior to being forwarded to Congress will continue to be subject to OMB clearance. This includes VA's recommendations on policies and plans that have budget year or outyear (future) costs or savings. Current or past year data that are actuals do not require OMB clearance - although they will be kept informed of Congressional interest in areas of special interest to OMB.

4.a. Please describe the relationship between your office and the Congressional Budget Office.

In general, the relationship between my office and CBO is advisory in nature. Prior to the Budget Enforcement Act (BEA) of 1990, decision-making on scoring legislative issues was a cooperative effort between OMB, CBO, and VA. Since the enactment of the BEA in 1990, OMB now maintains scorekeeping for VA's scoring of legislative program costs. As a result, VA's interaction with CBO staff has become more directed toward exchanging information and less on decision-making of scoring issues.

4.b. Please list the names and titles of officials and employees at CBO with whom you have, or expect to have, significant and frequent contact and generally describe your relationship with CBO personnel.

I am in contact with the following CBO personnel to discuss legislative proposals, scorekeeping estimates, and various policy issues that affect veterans' programs:

Nina Shepherd  
Principal Analyst, Defense, International, and Veterans  
Affairs Cost Estimate Unit

Janet Airis  
Principal Budget Analyst, Scorekeeping Unit

4.c. In what ways, if any, would you seek to change or improve the relationship with CBO personnel if you are confirmed?

At this time, I do not anticipate the current relationship between VA and CBO to change.



5.a. Please indicate the size of the overall staff that comes under the Assistant Secretary for Finance & IRM, broken down by location (for example, at Central Office or elsewhere), position, grade level, and source of appointment.

The overall staff under the Assistant Secretary for Finance & IRM is 1210 fte in fiscal year 1993. My immediate staff is made up of the following:

Please note that at this time we employ only career employees.

OFFICE OF THE ASSISTANT SECRETARY

Assistant Secretary, Executive level  
 Schedule C - vacant  
 Deputy to the Assistant Secretary, SES-level  
 Director for Administrative Office, GM-15  
 Administrative Officer, GM-14  
 Program Specialist, GS-12  
 Budget Analyst, GS-11  
 three clerical/admin employees at the GS-6, GS-9 and GS-11 levels

Subtotal: 10

OFFICE OF MANAGEMENT CONTROLS

<u>Grade Level</u>	<u>Number of Employees</u>
GS-1 through GS-6	1
GS-7 through GS-11	1
GS-12 through GS-13	2
GS-14 through GS-15	3
SES level	0
Subtotal:	7

OFFICE OF BUDGET

<u>Grade Level</u>	<u>Number of Employees</u>
GS-1 through GS-6	2
GS-7 through GS-11	7
GS-12 through GS-13	15
GS-14 through GS-15	7
SES level	2
Subtotal:	33

continued

OFFICE OF IRM

<u>Grade Level</u>	<u>Number of Employees</u>
GS-1 through GS-6	8
GS-7 through GS-11	37
GS-12 through GS-13	93
GS-14 through GS-15	44
SES level	5
<b>Subtotal:</b>	<b>188</b>

OFFICE OF FINANCIAL MANAGEMENT

Austin Automation Center -	409 employees
Austin Finance Center -	280 employees
Hines Finance Center -	34 employees
CO, Washington, DC -	249 employees
<b>Total:</b>	<b>972</b>

<u>Grade Level</u>	<u>Number of Employees</u>
GS-1 through GS-6	303
GS-7 through GS-11	308
GS-12 through GS-13	305
GS-14 through GS-15	49
SES level	7
<b>Subtotal:</b>	<b>972</b>
<b><u>TOTAL -</u></b>	<b><u>1210</u></b>

5.b. Please indicate whether you anticipate any reorganization of the Office of Finance and IRM if you are confirmed and, if so, please describe your reorganization plans.

Some reorganization of the Office of Finance and IRM will be considered to fulfill several key objectives of my tenure as Assistant Secretary. The completion of the Financial Management System, the implementation of a Master Veteran Record, and the incorporation of Performance Measurement in the VA budget process are these objectives. Achieving these will require the support and participation of VHA, VBA, NCS and other key support offices within VA. To serve these objectives may require some adjustments within the Office of Finance and IRM. Once a proposal is completed and reviewed within VA, I will inform you of our recommended changes.

5.c. Based on your service as a career employee in the Office of Finance and IRM what management or other changes would you make in your office to improve the working environment for career employees?

As a careerist, I have always had an open door policy and worked closely with my staff in all areas. Although my total staff will increase greatly, I would continue this management style in order to maintain good working relationships throughout the organization. Since my nomination, I have sent a "customer survey" to my counterparts throughout VA in order to gain insight into our strengths as well as our problem or opportunity areas with the hopes of promoting our strengths and improving our weaknesses. My plan is to take a proactive stance towards implementing a total quality management environment that encourages employees to participate in improving our operations, as well as incorporate a sense of teamwork not only within our organization, but with all our customers, both in VA and outside VA. I am impressed with the expertise of the workforce and with their commitment to the department. Simply put, I will strive to create a work environment that is conducive to high morale and productivity.

6.a. Please describe the current relationship between the Office of Finance and IRM and both the VA Inspector General's office and the General Accounting Office concerning financial audits of VA programs.

The Office of Finance and IRM maintains a close working relationship with VA's Office of the Inspector General. Overall, I would categorize this relationship as one of mutual respect and one that has matured since the passage of the Chief Financial Officers Act of 1990. Both of our staffs are committed to the timely completion of the financial audits and to improving VA's accountability and financial reporting systems. Our financial management staff works closely with the Inspector General's staff seeking innovative methods to ensure that our joint organizational missions are fulfilled in accordance with VA and Government-wide policies. For example, these staffs collaborated at the beginning of the fiscal year to jointly establish a detailed action plan, with specific milestones, for meeting the FY 1992 financial audit and reporting requirements required by the CFO Act and OMB. This joint effort greatly enhanced the Department's ability to comply with audit and reporting requirements on a timely basis.

Although GAO has not audited VA specifically since FY 1989, we have maintained a close working relationship with them. Our staffs worked well together during GAO's audits of VA's financial statements during the period 1986 through 1989. The statement formats we use today were greatly influenced by GAO's recommendations made during this period. We recently contributed

to GAO's project to develop prototype Government-wide financial statement formats. GAO elected to use VA's lines of business as a model for their prototype. We look forward to continuing our working relationship with GAO.

6.b. What changes, if any, would you seek to make in your office's relationships with the IG and with GAO.

Management's position regarding specific audit findings must be obtained prior to the reporting of their findings and recommendations. I would stress to both the IG and GAO the importance of obtaining management's perspective before releasing even draft audit reports. This would serve our mutual interests in ensuring that the correct facts are being reported, eliminate issues which arise due to misinterpretation, and properly focus joint efforts on areas needing improvement.

7.a. Chairman Montgomery has advised that he repeatedly has sought from VA accurate information about the costs of treating patients in VA hospitals, how important do you think it is to know how much it costs to treat a veteran in a VA medical center, in order to evaluate VA's health care programs.

The Department believes it is not only important but essential to know the cost of the care it provides. In view of the current budget environment and in light of the current focus in national health care reform, it is mandatory that we identify and analyze our treatment costs. We must recognize where economies can be made and where resources must be placed to provide the best quality care to the widest possible patient population at the most economical cost.

7.b. The Assistant Secretary also serves as Chief Financial Officer for the Department, a role governed by recently enacted legislation. One of the responsibilities of the CFO is to develop measurements that allow "systematic measurement of performance." Please describe what role you intend to play in developing a cost measurement or cost-accounting system for the Veterans Health Administration.

We believe that the VA CFO has a threefold role in developing a cost measurement/cost accounting system for the Department.

First, the CFO must take the lead in developing sound and uniform cost accounting policies. The policies must be based on generally accepted cost accounting standards and must be adaptable to meet specific needs.

Second, the CFO must oversee and work with VHA to insure that the cost measurement system is uniformly implemented in all VA health

care facilities. It is essential that VA's cost system recognize

that the cost of health care varies considerably based upon 1) the geographic location, 2) the clinical setting, 3) the economies of scale which can be achieved through specialization, and 4) the sheer size and diversity of the VA health care system.

Finally, the CFO will monitor the cost accounting system once it is in place ensuring continued compliance with policy and identifying needed modifications to maintain or enhance the quality of the measurement data.

**8.a. What are your views about the interdependence of workload, quality of care, and funding in the budget process?**

We must ensure a proper mix. Quality of care is substantially, but not totally, a function of workload and funding. There is a fairly direct link between funding and quality. Adequate funding must be provided to insure that all necessary clinical services and supplies are available to meet patient needs. The quality of care quickly deteriorates when funding falls below this level. There is also a definite link between workload and quality of care, but one which must be carefully balanced. When workload exceeds the resources available in a facility, quality care cannot be assured for every patient. Quality also suffers when workloads, especially in certain high risk areas, fall below certain minimum levels. Studies by the Health Care Financing Administration have identified an indirect relationship between mortality levels and the frequency that certain procedures are performed. Thus light workloads do not in themselves guarantee better care. A careful balance must be struck.

Funding and workload are two important elements in deriving quality care. The final essential ingredient is largely dependent on the dedication and morale of the clinicians and supporting staff who provide the care throughout the VA health care system.

**8.b. What type of infrastructure in automated systems is needed to enable the Department to participate in "managed care?"**

To achieve a "managed care" environment, the Department of Veterans Affairs must have a fully integrated system which meets both the clinical and the business needs of a national health care system. Given the increasing mobility of the veteran population, it is essential to develop an on-line patient record which allows physicians to immediately view a patient's medical records regardless of the physical location of the records. An automated workload reporting mechanism must be developed to insure resources are in place to meet the veterans' needs. This requires a reliable

cost accounting system which can identify economies and pinpoint excessive expenditures. Finally, to ensure that the Government receives a fair return for the services provided by the Department, an automated fee-for-service billing process with equitable rates must be implemented to bill third party insurers for all services or supplies provided to insured individuals.

9. Please describe the role of the Office of Finance and IRM in identifying and addressing "material weaknesses" in VA programs and management.

- o Under the direction of the Assistant Secretary for Finance and IRM, the Office of Management Controls, proactively monitors and reports on internal control and financial management activities, i.e. material weaknesses, material non-conformances and high risk areas.

- o Post implementation evaluations are made to ensure the adequacy and effectiveness of actions taken to correct material weaknesses, material non-conformances and high risk areas.

- o A statement of Written Assurance is required by the Assistant Secretary from each organization within VA for both internal control and financial systems.

- o Semiannual meetings are held to assess current status of VA material weaknesses and high risk areas.

- o The Office of Management Controls develops the Department's Semiannual Management Report as prescribed in the IG Act Amendments of 1988. This report identifies the status of audit recommendations and the monetary savings associated with them.

10.a. What are the benefits of having the finance and IRM functions combined into one Assistant Secretary's office?

Although there is no compelling reason for combining the finance and IRM functions under one Assistant Secretary, it does provide certain advantages: 1) it provides economy of staffing and overhead, and allows the Department to keep focused on the integration of IRM initiatives throughout VA 2) a close relationship exists between budget plans, budget execution, technology plans and technology initiatives, and 3) there is a centralized IRM policy and services for common departmentwide systems such as payroll and financial systems.

10.b. Are there any disadvantages to having these two important functions combined?

There are no particular disadvantages that I have noted to date.

11. In your personal opinion and based on your experience at VA, what are the advantages and disadvantages of either a centralized or decentralized information resources management approach at VA?

In my seventeen years with VA I have watched a trend from a highly centralized IRM organization which was the major provider of services to all organizational elements of VA to the current process whereby each major organization has its own infrastructure to address technology issues. VA has centralized policy, planning and oversight and decentralized implementation of the IRM program. The advantage of decentralizing implementation is that the technology tools are in the hands of the program offices who should know best how to apply technology to accomplish their missions. A prime example of a successful system developed in a decentralized atmosphere is the Decentralized Hospital Computer Program developed by the Veterans Health Administration.

On the other hand, the decentralization of technology resources promotes an atmosphere whereby the program elements diligently pursue their own programmatic needs but have no incentive to cooperate on department-wide needs. The business needs of VA are getting more complex and suggest that there is a need for more integration of services that our program elements provide and accordingly more sharing of information. Our systems for the most part were developed along program lines, and as a result there is a considerable redundancy of data and little sharing or access to data across program lines. I believe this has a negative impact on service because more often than we like to think, our clients who are serviced by more than one program have the perception that they are dealing with more than one VA. We need stronger corporate management of information technology resources in VA to make our system more efficient and effective and to reach a service goal of one veteran, one VA. We need to think in terms of client-focused rather than program-focused systems and ultimately a master record on each veteran. This doesn't necessarily mean putting the technology all under one roof. A senior management council representing user elements could be established to oversee our automation initiatives and resolve impediments to progress on integration of department-wide issues.

12. GAO has criticized certain VA IRM efforts for, in their opinion, failing to analyze the problem before deciding on an IRM solution. If confirmed, how would you seek to ensure that IRM solutions are appropriate for the problems they are meant to address?

My understanding of the GAO criticisms is that we need to do a



better job of developing business strategies and associated service goals and objectives before we apply technology solutions. I think

we have made a start in that regard in that the Secretary of Veterans Affairs provides his vision on strategic direction and subordinate organizations develop strategic plans to support this direction. These strategic plans are linked to the IRM planning and the budget formulation and execution processes. We do need better oversight on major IRM initiatives during the development process to ensure that the business needs of the entire department are being represented.

In order to ensure that department-wide needs are met in the sharing of information and our collective resources are used effectively and productively, I am considering the establishment of a Senior Management Council I talked about earlier. This council would oversee the development and implementation of major systems critical to the success of the business of this department. The council would be comprised of top management officials representing the major users of these systems. Their program experience would be valuable in ensuring that these systems do, in fact, improve business processes and that they talk to each other.

13. Until you recently became the Acting Assistant Secretary, you served as the Deputy Assistant Secretary for Budget in this office. Please describe any direct or indirect responsibilities you had in your position as Deputy for Budget related to VA's IRM and describe any other experience you had that is relevant to the IRM function.

As Deputy Assistant Secretary for Budget, I was responsible for formulation and execution of the VA budget which includes information technology obligations of about \$600 million. I worked closely with the Deputy Assistant Secretary for Information Resources Management in the budget formulation and review process to assess programmatic needs for these IRM resources and, of course, the adequacy of funding and commitment by the program offices to ensure success. Major initiatives that I have been involved with in that regard are the VBA Modernization Program, the Decentralized Hospital Computer Program, and the Integrated Data Telecommunications Utility, the VA's nationwide telecommunications system. I have spent my entire career in VA in the Budget Office. I believe that my experience in the budget process of this Department has given me a valuable knowledge of the our business needs and accordingly a sense of how information technology can help us meet those needs.

14. Please describe the relationship your office has with Members and Committees of Congress and the principles that will guide your relationships with congressional offices if you are confirmed.

I believe that one of the reasons for nominating me for the position of Assistant Secretary for Finance and IRM is because of my good working relationships within the department and with OMB, Congress and others. I feel these relationships will continue to be positive as I do my best to serve and be sensitive to the needs of Congress with the realization of the importance of timely communications. As in all areas, my management style is to maintain open lines of communication throughout the department as well as between the department and Congress.

Post-Confirmation Hearing Questions  
to  
D. Mark Catlett  
Assistant Secretary of Veterans Affairs-designate  
(Finance and Information Resource Management)  
from  
Senator John D. Rockefeller IV  
Chairman, Committee on Veterans' Affairs

1. I agree with your response to my prehearing question regarding VA's need for stronger corporate management of information technology resources in order to make VA's system more efficient and effective. I also agree with your response to another prehearing question which noted that VA needs better oversight on major information resources management initiatives during the development process to ensure that the business needs of the entire department are being represented. Your idea of establishing a Senior Management Council is indeed worthy of pursuit as a means of addressing these organizational deficiencies. My questions are --

A. What is the likelihood of the Council being established, when would it be functional, and how would it work?

Response: While the Department does have a council, known as the Senior IRM Steering Committee, it is a collaborative body dealing primarily with the technical issues of IRM, versus basic policy or business issues. This group would continue providing this function. I am proposing the formation of a Senior Management Council (SMC), whose primary functions are to deal with cross program policy and business issues relating to implementation of information technology. Once our discussion within VA are complete, we hope to have a SMC operational by mid-Summer.

We envision the SMC would act as a high level review and advisory body to the Department CIO. Rather than submit program decisions to reviews by competing programs, the SMC would serve in an advisory capacity to the CIO. This would allow the CIO to review cross-Department interests for technology decisions without bogging down the decision process.

B. What authority do you now have or would a Council have to enforce coordination among Department elements if they are determined not to be in sync?

Response: Our intent, as stated, is to take advantage of the Council's ability to represent the Department as an entity. The CIO's current authority has been somewhat limited to coordination, oversight and reporting on IRM activities, accomplishments and plans on behalf of the Department. Our intent is to strengthen the CIO oversight role by empowering him with authority delegated by the Secretary of Veterans Affairs to make major policy decisions for VA, based on the Council's recommendations, Federal mandates and internal VA policy and to enforce resulting implementation and post-implementation activities.

C. Currently, the different administrative elements within VA seem to be dealing

separately with other Federal departments. It is important that there be VA linkage with other IRM system. How do you plan to ensure that linkage is uniform for the whole Department?

Response: Through the empowerment mentioned, the CIO would assume responsibility and authority for all internal IRM coordination, as well as oversight for external dealings with non-VA entities which represent new initiatives or ones with significant impact to the Department. Formal monitoring and reporting requirements and procedures would be put in place to ensure a uniform IRM program which reflects the "One VA" concept. All dealings or agreements with such organizations would require approval of the CIO, based on established means of request and justification.

2. This question is directed to both Mr. Catlett and Ms. Keener: Last year, the General Accounting Office confirmed very disturbing reports that VA facilities were using medical care funds to pay some of the expenses of collecting from private health insurers the cost of certain medical care for veterans. As you both know, the law allows VA to pay the administrative costs of those collections only out of the funds actually collected. As the result of the GAO investigation, the Comptroller General officially notified VA on November 10, 1992 that VA has apparently broken the law by using medical care for bill collecting.

I don't think VA has adequately addressed this Committee's concern--and the Comptroller General's legal notice--regarding this issue.

A. Will both of you, together please look into this and report back to me within 10 days about steps VA has taken to prevent this from happening ever again?

Response: VA officials take very seriously the GAO draft report finding that Medical Care funds were used to support Medical Care Cost Recovery (MCCR) activities. A number of steps have been taken to insure that this situation does not reoccur. Both the Under Secretary for Health and the Chief Financial Officer have issued guidelines to field facilities to insure that Medical Care Cost Recovery expenses are properly charged to the MCCR Fund. These guidelines instruct field facility personnel that the mixing of funds between these two account is not permissible. The guidelines expressly state that Medical Care funds can not subsidize MCCR activities. We have enclosed copies of these documents for your review.

In addition, Veterans Health Administration staff have had a number of nationwide conference calls with fiscal officers and MCCR facility staff stressing the importance of charging cost to the proper Medical Care or MCCR account.

We both support these actions and believe that VA will strive to maintain the integrity of these two accounts.

Enclosures

Department of  
Veterans Affairs

## Memorandum

Date JAN 15 1993

From Assistant Secretary for Finance and Information Resources  
Management (004)  
Subject Improper Funding of Medical Care Cost Recovery Activities,  
Department of Veterans Affairs, 36X5014 - Medical Care Cost  
To Recovery Fund  
All Medical Center Directors (00/04/24)  
All Fiscal Officers (04)

1. This memorandum is to notify you of my general concern regarding VHA moving funds from one appropriation to another -- misapplication of funds. During the last 12 months, this issue has risen both at the VHA account level and within individual hospitals. I am particularly concerned by questions that have been raised over the administration of MCCR funds.

2. In view of the above, I am requesting the Under Secretary for Health to provide you instructions and the Fiscal Year 1993 allocations as approved by the Office of Management and Budget (OMB). As you know, funds for the MCCR program were provided by Congress and apportioned to the Department by the Office of Management and Budget. MCCR program operations exceeding the available funds are required to be reported as an antideficiency.

3. It is important for you to be aware of the implications of your actions regarding spending limitation and restrictions in the use of appropriated funds. When there is uncertainty on a particular action that may affect these limitations, it is incumbent upon you to contact your VHA budget representative or the Office of Financial Management for advice and guidance before proceeding.

4. Frank Derville, Deputy Assistant Secretary for Financial Management, is available on (202) 233-3008 to address any of your questions.

  
S. Anthony McCann

Department of Veterans Affairs  
Veterans Health Administration  
Washington, DC 20420

VHA DIRECTIVE 10-93-013

February 9, 1993

TO: Regional Directors; Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Regional Offices with Outpatient Clinics and Information Systems Centers

SUBJ: MCCR (Medical Care Cost Recovery) Appropriation

1. PURPOSE: The purpose of this VHA (Veterans Health Administration) directive is to provide guidance for management of the MCCR Appropriation, 36X5014, Operating Budget. This directive will not be incorporated into a permanent issue at this time.

2. POLICY: All VA (Department of Veterans Affairs) facilities participating in MCCR activities are to charge all necessary expenses for the identification, billing, and collection of the cost of care and services furnished under 38 U.S.C. (United States Code) Chapter 17, and for the administration and collection of payments required under 38 U.S.C., Section 1710(f), for hospital care or nursing home care, under 38 U.S.C., Section 1712(f) for medical services, under 38 U.S.C., Section 1722A for medications, and under 38 U.S.C., Section 1729 for recovery of cost of certain care and services to the 36X5014 Appropriation. While fulfilling this directive, all VA facilities must remain within the MCCR Appropriation funding allowances and are not to charge MCCR costs to other Appropriations. The Medical Care Appropriation cannot subsidize the MCCR activity and FTE (Full Time Equivalent) used to support MCCR cannot exceed the FTE allotted by the MCCR Program Office. All VA facilities are to efficiently manage their MCCR operating budget to ensure continued operation of the MCCR Program.

### 3. ACTION

a. All medical centers, outpatient clinics, regional offices and ISCs will follow the accounting procedures contained in the recently revised OMB Circular A-34 and MP-4, part V.

b. The following guidelines are to be used in determining direct and indirect charges to the MCCR Appropriation, 36X5014.

#### (1) Personal Services

(a) All employees engaged in full-time MCCR activities are to be costed (journalized) to the designated MCCR Appropriation cost center. Cost transfers will be prepared monthly for employees performing part-time MCCR activities. Total cumulative FTE may not exceed the FTE allotted by the MCCR Program Office. Costs for personnel and first-line supervisors providing direct service are to be charged to the MCCR Appropriation.

(b) If the first-line supervisor is at or above the service chief level, charges for direct service are not to exceed 10 percent of the supervisor's time. Higher level management costs in the performance of MCCR activities are not to exceed 5 percent of the manager's time. Physicians' time is not to be charged to the MCCR appropriation.

THIS VHA DIRECTIVE EXPIRES FEBRUARY 9, 1994

VHA DIRECTIVE 10-93-013  
February 9, 1993

(c) Agent cashiers are to be charged to the MCCR appropriation for functions directly relating to the MCCR Program. Activities performed by agent cashiers prior to the establishment of the MCCR fund are to be charged to the medical care appropriation. The MCCR appropriation should not support all agent cashier functions.

(d) MCCR staff performing the collection activities for CHAMPVA (Civilian Health and Medical Program of the VA), sharing agreement reimbursements, ineligibles non-veteran patient reimbursements, tort feason reimbursements, and emergency/humanitarian patient reimbursements must be charged to the medical care appropriation. Cost transfers for these employees must be accomplished monthly.

(e) Functions performed by medical record coders for inpatient activities are not chargeable to the MCCR appropriation. The proper coding of inpatient medical records is a necessary function of medical care. MCCR is a user of the inpatient medical record data and has not established new coding requirements. Inpatient coding functions are not supportable by MCCR since the data required by MCCR is common to the inpatient medical data requirements of VHA, independent of MCCR. Functions performed by medical record coders for outpatient activities are chargeable to the MCCR appropriation. The coding of outpatient medical records is not a medical care requirement. However, for MCCR to seek reimbursement from insurance carriers, coding of outpatient records is necessary. Therefore, the costs for outpatient coding activities is chargeable to the MCCR appropriation.

(2) Equipment. The costs of ADP and NON-ADP equipment used in the daily operation of MCCR activities are to be charged to the MCCR appropriation and recorded on each facility's MCCR CMR (Consolidated Memorandum of Record).

(3) Other Services. Most of the charges in this object class will reflect contractual services directly attributable to the operation of the MCCR program. M&R (maintenance and repair) services for equipment purchased with MCCR funds are included in this category.

(4) All Other. These charges comprise items that are a direct result of performing the MCCR functions. Included are direct charges for supplies and materials; rents and communications; printing and reproduction; and transportation of things. Charges to the Operating Supplies Subaccount will be closely monitored and must be for direct support of MCCR functions. Overhead charges for utilities and housekeeping should be based on an administrative square footage rate. Other overhead charges should be distributed based upon the percent of assigned MCCR FTE to the total FTE for the medical facility or outpatient clinic. This should be similar to the way overhead is charged to Canteen and Research Services.

(5) Central Funding. Training costs will be funded centrally and are not to be charged to the MCCR appropriation without prior approval from the MCCR Program Office. Funding for regional and national conferences will be managed centrally. All PCS (Permanent Change of Station) charges require prior authorization from the MCCR Program Office and will be funded centrally. Regular mail service and employee travel will be funded centrally and should not be charged to the MCCR appropriation without prior authorization. Requests for central funding initiatives must be submitted through the Regional Coordinators for medical centers and through the Director, MIRMIO (Medical Information Resources Management Office) for the ISCs. The Director, MCCR Office, has final approval.



VHA DIRECTIVE 10-93-013  
February 9, 1993

c. The MCCR appropriation, 36X5014, is a no-year fund. However, OMB (Office of Management and Budget) currently limits funding availability on an annual basis by four obligation categories: Personal Services, All Other, Equipment and Other Services. Therefore, facilities will not transfer funds between categories. As of the close of business on September 30 of each year, the unobligated balances, less the subsequent years apportioned balance, remaining in the 36X5014 appropriation are to be transferred to the Treasury as miscellaneous receipts. All unobligated funds from the preceding fiscal year will be withdrawn no later than January 1 of the current year. Facilities will not make obligations at the end of a fiscal year and then deobligate the funds in the next fiscal year in an effort to retain resources. An annual RAR (Requirements and Analysis Report) will be conducted to provide an opportunity to request nonrecurring funding and to establish an operating plan for the current fiscal year. Quarterly needs and excesses reports will be conducted.

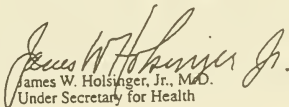
(6) CDR (Cost Distribution Report). Costs transferred from the medical care appropriation to the MCCR appropriation will represent all support of the MCCR activity charged to medical care due to payroll and accounting systems limitations. The cost transfer transactions are to be completed prior to the closing of monthly accounting transactions. Reporting MCCR support cost on the CDR will no longer be allowed.

#### 4. REFERENCES

- a. Title 38, U.S.C. Chapter 17.
- b. OMB Circular A-34.
- c. MP-4, part V.

5. FOLLOW-UP RESPONSIBILITY: Director, Medical Care Cost Recovery Office (165).

6. RESCISSIONS: This VHA directive will expire February 9, 1994.

  
James W. Holsinger, Jr., M.D.  
Under Secretary for Health

DISTRIBUTION: CO: E-mailed 2/9/93  
FLD: RD, MA, DO, OC, OCRO and 200 - FAX 2/9/93  
EX: Boxes 104, 88, 63, 60, 54, 52, 47 and 44 - FAX 2/9/93

B. I am concerned that VA's system of establishing facility-by-facility targets for collections from health insurers, and then enforcing those targets with financial rewards and penalties in medical care funding for each facility, put extremely inappropriate, non-medical pressures on medical center directors. Will both of you look into this and provide the Committee with a copy of your recommendations to the Secretary for any changes in this system that you think are necessary--beyond the changes recommended by GAO that you already are implementing?

Response: We have looked into the situation of establishing Medical Care Cost Recovery (MCCR) collections targets and enforcing those targets with Medical Care funding. VA has not adopted the policy to allocate Medical Care resources based upon a facility's MCCR collections performance. The allocation of Medical Care resources is based upon the medical need of the veterans served by the medical facility taken in the context of the national medical care resource availability. In fiscal year 1992, however, Congress appropriated an additional \$90 million to the Medical Care program based upon the increased collections of MCCR. A portion of this \$90 million additional funding was allocated to individual facilities based upon MCCR collection performance. To our knowledge no VA facility lost Medical Care resource funding because of weak MCCR collection performance, some outstanding facilities were rewarded additional funding. We have been assured by senior Veterans Health Administration staff that Medical Care resource allocation will not be linked to MCCR performance levels in the future.

OPENING STATEMENT OF  
MARY LOU KEENER  
BEFORE THE SENATE COMMITTEE ON VETERANS' AFFAIRS  
MAY 12, 1993

Mr. Chairman, Mr. Murkowski, Members of the Committee, it is truly an honor and a privilege for me to appear before you today as President Clinton's nominee for the position of General Counsel, Department of Veterans Affairs. During the last three weeks, I have had an opportunity to meet with the Committee's staff and I sincerely appreciate their courtesy and assistance in preparing for this hearing.

During the past 25 years, I have had the pleasure of working with, and on behalf of, veterans in many ways. My experience as a Navy nurse in Vietnam provided me with personal knowledge of the pain, suffering and death associated with war, and its lasting effect on those who served and their families. My status as a veteran also provides me admission to an exclusive group. A group of individuals whose experience with war creates a bond among them that is unequalled. It is this bond and the camaraderie that exists in the veterans community that has kept me in the active reserves for 24 years, and an active participant in many veterans groups and organizations.

There are many new and varied challenges ahead of us which must be met with constrained resources. However, in a spirit of openness and full cooperation with veterans and veterans service organizations, we must begin to realistically identify common goals and objectives rather than dwell on concerns and problems. It is my belief that veterans can lead this country in making government more responsive to those it serves and I look forward to assisting them with this task.

Mr. Chairman, that concludes my opening statement. I would be pleased to answer any questions the Committee may have.

# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

## PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: Keener Mary Lou  
(LAST) (FIRST) (OTHER)
2. Present address: 957 Virginia Avenue, N.E. Atlanta GA 30306  
(CITY) (STATE) (ZIP CODE)
3. Position to which nominated: General Counsel 4. Date of nomination: April 20, 1993
5. Date of birth: 9 Aug 1944 6. Place of birth: Flint, Michigan  
(DAY) (MONTH) (YEAR)
7. Marital status: Single 8. Full name of spouse: None
9. Names and ages of children: None

10. Education:	Institution (including city and State)	Dates attended	Degrees received	Dates of degrees
	Catholic Univ. of America Washington, D.C.	1962-66	BSN	June 1966
	Emory University Atlanta, GA	1971-72	MN	Aug. 1972
	Catholic Univ. of America Washington, D.C.	1979-82	JD	May 1982

11. Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
1. Graduate fellowship, Emory Univ., 1971-72.
  2. Sigma Theta Tau, National Nursing Honor Society, Emory Univ., 1972.
  3. Editor, Law Review, Catholic Univ., 1981-82.
  4. Winner, National Moot Court Regional Competition, 1980; American Trial Lawyers Medal for Excellence in Advocacy.
  5. Military Medals: Air Force Commendation Medal  
National Service Defense Medal  
Vietnam Service Medal  
Armed Forces Reserve Medal  
Republic of Vietnam Campaign Medal

12. Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant.

Organization	Office held (if any)	Dates
Agent Orange Class Assistance Program	Advisory Board	1988-Present
American Bar Association		
American Legion		
American Nurses' Association	Member, Bylaws Cmte.	1978-82
	Member, Ethics Cmte.	1987-89
American Trial Lawyers Assoc.		
Atlanta Bar Association		
Atlanta Vietnam Veterans Business Association	Board of Directors	1989-Present
Georgia Nurses Association	Chairman, GNPAC	1992-Present
Georgia Trial Lawyers Assoc.	Member, LAWPAC	1992-Present
	Member, Legis. Cmte.	1992-Present
Georgia Underwriting Assoc.	Member, Bd. of Dirs.	1991-Present
Georgia Vietnam Veterans Leadership Program	Board of Directors	1983-Present
	Chairman	1984-86

13. Employment record:

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

1969-71	Congressional Caseworker, Congressman D.W. Riegle, Jr., Washington, D.C.
1972-76	Faculty, Department of Nursing, Georgia State University, Atlanta, Georgia
1976-79	Executive Director, Georgia Nurses Assoc., Atlanta, GA
1982-84	Attorney, Arfken, Caldwell, Steckel & Mack, Atlanta, GA
1985	Attorney, Lavigno & Dawkins, Atlanta, GA
1986-88	Attorney, Butler & McDonald, Atlanta, GA
1988-93	Attorney, Law Offices of Mary Lou Keener, Atlanta, GA

14. Military service: List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

1966-69	Active duty, U.S. Navy Nurse Corp; U.S. Naval Hosp., Philadelphia & USS Repose, Naval Hosp. Ship, South Vietnam; Honorable Discharge, Lieutenant.
1973-Present	U.S. Air Force Reserves; Flight Nurse, 69th AEF, Dobbins AFB, GA 1973-79; Flight Nurse, 60th AEF, Andrews AFB, MD; 1979-81; Mobilization Augmentee (Nursing Administration), Malcolm Grow Medical Center, Andrews AFB, MD, 1981-87; Mobilization Augmentee, Office of the Chief Nurse, HQ USAF, Bolling AFB, DC, 1987-Present; current rank, Colonel.

## 12. Memberships: (cont'd)

<u>Organization</u>	<u>Office held</u>	<u>Dates</u>
Governor's Commission on Obstetrics		July 1990
Maryland State Bar		
National Veterans Leadership Program	Vice-Chairman	1985-86
Nurses in Business Association		
Reserve Officers Association		
State Bar of Georgia		
State Bar of Georgia	Member, Medico-Legal Conference Committee	1991-Present
VFW		
Vietnam Veterans Institute	Trustee	1989-Present

15. Government  
experience:

List all advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

1980-81 Law Clerk (part-time), National Labor Relations Board,  
Washington, D.C.

1981 Summer Law Clerk (full-time), Region 10, National Labor  
Relations Board, Atlanta, Georgia

16. Published  
writings:

List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

1. "The Public Health Nurse in Mental Health Follow-Up Care,"  
Nursing Research, May-June, 1975, Vol. 24, No. 3.

2. Continuing education home study program for the American  
Association of Occupational Health Nurses, 1988(?)

3. Article concerning Nursing Home Liability, co-authored with  
Attorney Curtis Mack, published in 1983, Atlanta Bar  
Association Journal.

17. Political  
affiliations

and activities: (a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

Financial Contributions: 1992, Bob Kerrey Campaign, \$2000.00;

1992, \$100.00 contributions to Cathy Steinberg & Mable Thomas,

U.S. House of Representatives races (GA); 1990, contributed to

Tim Ryles campaign for Georgia Ins. Comm. (amount unknown)

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved.

None



## 18. Future

## employment

relationships: (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate.

Yes

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(b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

I will most likely return to Atlanta to practice law.

---

(c) What commitments, if any, have been made to you for employment after you leave Federal service?

None

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(d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

Yes

---

(e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election?

Yes

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## 19. Potential

## conflicts

## of interest:

(a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated.

Prior to confirmation, I represented the Vietnam Veterans of  
America in litigation before Georgia courts.

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(b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated.

None

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- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated.

None

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- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

None

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- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

Not Applicable

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20. Testifying  
before the  
Congress:

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

Yes

---

- (b) Do you agree to provide such information as is requested by such a committee?

Yes

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United States

**Office of Government Ethics**1201 New York Avenue, NW., Suite 500  
Washington, DC 20005-3917

MAY 5 1993

The Honorable John D. Rockefeller, IV  
Chairman  
Committee on Veterans' Affairs  
United States Senate  
Washington, DC 20510-6375

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Ms. Mary Lou Keener, who has been nominated by President Clinton for the position of General Counsel of the Department of Veterans Affairs.

We have reviewed the report and have also obtained advice from the Department of Veterans Affairs concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter from the ethics official of the agency, dated May 4, 1993, which discusses Ms. Keener's resignations, recusal undertakings and other matters.

Based thereon, we believe that Ms. Keener is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

A handwritten signature in cursive script, reading "Stephen D. Potts".

Stephen D. Potts  
Director

Enclosures

**Pre-Confirmation Hearing Questions & Answers**

**Mary Lou Keener**

**General Counsel - Designate**

**Department of Veterans Affairs**

1.A. Please describe your concept of the nature and extent of the Federal Government's obligations to the Nation's veterans and their dependents and survivors. In your response, please identify any specific groups within the veteran population that you believe are owed special obligations.

B. As a general matter, how well do you believe the government and, more specifically, the Department of Veterans' Affairs, is meeting those obligations?

ANSWER:

A. This Nation has a moral and legal responsibility to support and sustain those who elect to serve in our military forces. In return for such service, we have traditionally awarded veterans this Nation's respect, and have made a moral commitment to assist them and their families in times of need. This moral commitment has evolved into numerous benefit and compensation programs guaranteed by law. Such programs must be delivered in an appropriate and timely manner.

In order to satisfy our obligations to this Nation's veterans community, it is also imperative that we continuously assess and evaluate changing needs. At this time in history, we must pay particular attention to sweeping changes occurring in the makeup of the population we serve. For example, the increasing number of women choosing military careers and the downsizing of our military forces will have a profound impact on the Veterans Affairs delivery system.

It is my belief that this Nation has a continuing responsibility to provide for all of its veterans in a fair and equitable manner and to constantly reevaluate the services that we are providing. However, we cannot fail to recognize that different groups of veterans may have specific needs.

B. Although I am new to the Department of Veterans Affairs and not in a position to evaluate their performance, I am not new to veterans affairs and issues. One of the more widely circulated criticisms of VA services concerns the manner in which they are delivered as opposed to their substance. Whatever the reality, it is my belief that there is always room for improvement and that we must always listen to veterans with an open mind when they tell us how we might do better.

2. Please describe in detail your activity, prior to your nomination to be VA General Counsel, on matters relating to veterans affairs.

ANSWER:

I can trace my increasing awareness and participation in veterans affairs to 1968-1969 when I served as a Navy Nurse in South Vietnam. My personal experience in Vietnam, and my sensitivity to the needs of the men and women veterans of that war instilled in me a deep sense of commitment to veterans issues.

Upon leaving Vietnam and being discharged from the Navy, I remained on inactive general status while working on "the Hill." I moved from inactive to active reserve status with the Air Force in 1973. After twenty-four years of active and reserve military duty; I will be retiring this June.

While attending graduate school in Atlanta in 1971-1972, I was fortunate to be a beneficiary of the G.I. Bill which also helped me to develop an appreciation of the importance of such benefits to veterans.

In 1982, I traveled from Atlanta, Georgia to Washington, D.C. with a group of Georgia veterans to attend the dedication of "The Wall." Thereafter, I became a member of numerous veterans organizations and was deeply entrenched in matters dealing with a broad range of veterans affairs. I became a member of the Georgia Vietnam Veterans Leadership Program Board of Directors in 1983 and served as its chairperson from 1984-86. The GVVLP provided outstanding programs for Georgia veterans including, but not limited to, employment and small business. I also served on the Board of the Atlanta Vietnam Veterans Business Association which has constructed and dedicated memorials throughout Atlanta to Georgia Vietnam veterans killed in action. From its inception, I have sat as a member of the Agent Orange Class Assistance Program Advisory Board and worked closely with Judge Weinstein and the AOCAP staff in funding millions of dollars worth of grants supporting programs to assist veterans, their families, and their children, who have physical or developmental disabilities. I am also a trustee of the Vietnam Veterans Institute and a member of the VFW and American Legion.

3. Please indicate your specific legal experience with regard to veterans' law and how you believe it qualifies you for the position of VA General Counsel.

ANSWER:

I believe that my personal experiences as a veteran, and my continuing involvement in the veterans programs mentioned previously, provided me with some insight into statutory laws governing veterans benefits and programs. Also, my experience on "the Hill" on both the State and Federal level will be helpful to me in assisting and representing the Secretary.

As a specialty area of practice within the legal community, veterans law is a new and slowly emerging entity. Prior to the creation of the Court of Veterans Appeals, attorneys have not generally represented veterans in legal matters before the agency and Board of Veterans' Appeals. However, I would like to proffer that my experience as a practicing attorney and more specifically as a litigator, has equipped me with basic legal skills that apply independent of whether I am dealing with veterans law or other bodies of law. Also, legal issues and claims addressed by the Office of General Counsel are similar to those I addressed in my private practice, including medical malpractice, personnel and labor relations, contracts, compensation, and disability claims.



4. A. How do you anticipate that your experience in medical malpractice cases will affect your work on matters relating to VA health care personnel against whom malpractice allegations are raised?

B. Please describe your experience with medical malpractice and other legal matters subject to the Federal Tort Claims Act.

ANSWER:

A. Like most lawyers engaged in the general practice of law, I have had experience representing both plaintiffs and defendants in medical malpractice cases. Although the majority of my cases involved representing plaintiffs, my background as a health care provider and my varied legal experience has freed me of any personal bias. I am convinced that the most important aspect of medical malpractice litigation, no matter which side is being represented, is the initial, in-depth, review and analysis of the claim. Subsequently, as in any case, detailed preparation and management of the claim must follow.

In addition to representing clients in medical malpractice claims, I have regularly developed and presented continuing education seminars, programs, and mock trials regarding legal liability issues for health care providers. My experience in this area has taught me that it is important for providers and facilities offering health care to clients to focus on prevention of malpractice claims. Staff education concerning standards of care, policies and procedures, medical documentation and quality of care may result in a decrease in the number of claims filed. It is my hope that we will pursue this proactive approach to medical malpractice concerns more vigorously.

B. In the private practice of law, and as an Air Force Reserve officer detailed to the USAF Military Claims Office, I have reviewed hundreds of medical malpractice claims, many of them subject to the Federal Tort Claims Act (FTCA). I believe that a medical malpractice lawyer's most valuable skill is the ability to separate valid claims from those that are frivolous or marginal. As part of my private practice, I have handled one FTCA case through to conclusion, and another at the Administrative Claim level. Many other FTCA claims alleging medical

malpractice were rejected by my office because, in my opinion, they were not valid or could not be sustained at trial.

Also, for approximately three years, as part of my US Air Force Reserve training, I was detailed to the Military Claims Office at Air Force Headquarters in Washington, D.C. My duties there consisted of reviewing FTCA claims alleging medical malpractice and determining whether such cases should be paid by the Air Force, and if so, their value. During that time, I reviewed and wrote opinion memorandums on numerous cases. Many claims were denied because they were barred by the Feres doctrine or other legal defenses. My review of these cases resulted in significant savings to the Air Force.

5. Section 1151 of title 38, United States Code, provides that any injury or aggravation of an existing condition that a veteran suffers as a result of VA medical care or vocational rehabilitation shall be treated as if the additional disability were service-connected, for purposes of veterans compensation or survivors dependency and indemnity compensation (DIC). If the veteran successfully sues the government for the same injury, VA must withhold compensation or DIC payments until the unpaid benefits equal the monetary damages provided by the judgment or settlement of the case.

VA regulations and practice traditionally have required veterans to show that the care or rehabilitation that resulted in the injury was negligent. In November 1991, the U.S. Court of Veterans Appeals, in Gardner v. Derwinski, invalidated the VA regulation because the negligence requirement imposed a higher standard than the statute requires.

In March 1992, the prior Administration proposed legislation to codify the negligence requirement contained in the regulation overturned by the court. Senator Alan Cranston, Chairman of this Committee at that time, introduced the Administration's legislation by request on March 20, 1992, as S. 2383. Written testimony submitted to our Committee soon after that date from various veterans service organizations strongly opposed the Administration's bill and generally endorsed the Gardner decisions. A federal circuit court heard oral arguments in VA's appeal of Gardner last November.

A. Please indicate when the circuit court is expected to rule on VA's appeal, how VA is handling any claims potentially affected by the Court of Veterans Appeals' Gardner decision pending the outcome of the appeal, and what changes (if any) you would recommend in VA's treatment of claims pending the outcome of the appeal if you are confirmed as General Counsel.

B. How would you implement the Gardner decision if it is upheld and what effects would this decision have on claims under section 1151?

C. Under the Court of Veterans Appeals decision, to what extent would Gardner apply retroactively?

D. Do you support the prior Administration's proposal contained in S. 2383 (102d Congress)?

E. If not, what changes in current law would you recommend (if any) if the Gardner decision is upheld?

F. Please discuss the interaction of section 1151 and the VA regulation overturned by Gardner with the Federal Tort Claims Act, including whether you believe the two systems of compensation are duplicative.

ANSWER:

A. The United States Court of Appeals for the Federal Circuit is an independent federal appellate court. Unfortunately, VA does not have any way to determine when a decision might be expected.

I have been advised that claims which would potentially be affected by the outcome in Gardner are claims which would be denied under VA's current regulation but which might be granted under the Court of Veterans Appeals decision.

I understand that rather than denying such claims, VA has suspended their adjudication pending the outcome in Gardner. I also understand, however, that claims on which benefits can be awarded under the disputed regulation are being adjudicated and benefits awarded. The CVA has apparently indicated that this system is reasonable but I believe the current policy should be reviewed if a decision is not forthcoming within a reasonable period of time.

B. If the Court of Veterans Appeals' interpretation of section 1151 is upheld, the ruling must be implemented in accordance with the court's decision. I would anticipate that VA would begin adjudicating claims, and, to the extent necessary, initiate rulemaking to promulgate regulations that conform to the court's interpretation.

C. I have been told that the issue of retroactivity presents some very complex legal questions, and I have not yet had an opportunity to extensively study the issue in the context of the Gardner decision. I understand there is very little CVA case law on the issue of

retroactivity of its decisions. Ultimately, questions about the retroactive effect of the Gardner decision may have to be resolved in the courts.

D. I have been advised that the previous Administration's proposal was apparently based on a recognition that an expansive definition of section 1151 benefits could have a substantial effect on the benefits program. I agree that this may be a matter of concern which should be addressed. It must be recognized, however, that initially the issues involved are matters of policy, not law. The Secretary is studying the matter and I will be prepared to provide legal advice to assist him in making the decisions necessary to shape the Administration's policy on this issue. I am aware that the Secretary has been in contact with veteran's organizations to obtain their views to assist in formulating the Department's position.

E. (See response to question (5) D.) Again, this is primarily an issue of policy. I would, however, want to see the law develop in a sensible and orderly way that is fair to veterans and yet does not adversely impact VA's health-care delivery system.

F. I understand that the regulation overturned by CVA does somewhat duplicate the coverage of the FTCA as to results of medical treatment which result from negligence, but section 1151 also includes coverage to veterans for results which occur as a result of "accident." "Accident," has been recently defined by the Department as a result that is unexpected and not reasonably foreseeable. Such misadventures are not covered under the FTCA, which is defined solely in terms of negligence.

In addition to this difference in coverage, benefits adjudications under section 1151 occur within the framework of VA's informal, non-adversarial adjudication procedures. Since section 1151 benefits are within this non-adversarial framework, there is far less emphasis on expensive expert testimony than an FTCA court action requires. In addition, in the VA adjudication framework, VA is required under the statute to assist veterans in developing their claim. In FTCA actions generally, of course, there is no requirement that the federal agency assist the plaintiff in developing the evidence to prove the tort claim. In the VA adjudication framework, reasonable doubt, when the evidence is equipoise, goes to the veteran. In FTCA actions, the veteran

does not have the benefit of the reasonable doubt standard and must prove the tort claim by a preponderance of the evidence.

Under section 1151, the veteran receives a monthly compensation benefit rather than a lump sum. In addition, it is my understanding that since the disability for which the section 1151 benefit is awarded is considered service-connected, the veteran is eligible for other veterans benefits which are available to service-connected veterans.

Of course, if the expansive CVA interpretation of section 1151 is upheld, the coverage of that section will be far broader than the FTCA.

There seem to be distinct advantages for veterans in having the 1151 option, and I would be reluctant to recommend any diminution in currently available veterans' benefits.

6.A. What plans do you have relating to the organizational structure and staffing of the Office of General Counsel (OGC)?

B. Do you intend to maintain the position of Deputy General Counsel as a career position?

C. Do you intend to bring any new staff to work with you as General Counsel? If yes, please indicate what titles and responsibilities such new staff would have.

D. Based on the information that you have received to this point, what level and funding does OGC need to meet its responsibilities, including the need to respond to the impact of the Court of Veterans Appeals?

E. What components or activities of OGC, if any, are underfunded or understaffed at present or will be underfunded or understaffed in FY 1994 if the President's budget is adopted as submitted?

F. How do you see the relationship between the General Counsel and the various District Counsels and what are your plans for meeting with the staffs of the various offices.

ANSWER:

A. Before I would entertain any plans relating to changes in the organizational structure and staffing of the Office of the General Counsel, I want to make sure I have had sufficient time to study the make-up of the Office as it currently exists.

While I'm sure that every General Counsel brings their own thoughts to this office regarding how it should operate, I have not arrived with any preconceived ideas or personal agenda. However, in the process of evaluating the current structure, I do not intend to abandon my expectations of excellence in both legal practice, and office administration and management.

B. At this time, I do intend to maintain the position of Deputy General Counsel as a career position. During my brief tenure with the Department, I have come to appreciate the importance of a Deputy



General Counsel who understands the history and development of substantive legal issues. The General Counsel's ability to "hit the ground running" is dependent upon a strong and legally competent support staff.

My brief association with Bob Coy and other members of the General Counsel's "team," leads me to believe that we will all be able to work together effectively.

C. I intend to hire an attorney as my Special Assistant after confirmation. At this time, I have not determined the specific duties I would like this individual to carry out, nor do I have an individual in mind to fill the position. Other than filling a vacant secretarial position, I currently have no other plans for new staff.

D. At this time, based on my brief orientation to the Department's budget and the OGC funding process, I am reluctant to discuss specific levels necessary to meet any of our responsibilities.

I am aware of the fact that resources are a matter of concern to all offices in the Department and that specific funding levels must be determined within the constraints of national deficit concerns and restricted resources. However, I have been advised that OGC has always been treated fairly in the distribution of resources within the Department. If, at any time, we determine that inadequate funding is impacting the timeliness or quality of our services, we will immediately address those concerns through the appropriate budgetary process.

E. I would not presume to address OGC staffing and funding in terms of the President's 1994 budget until I have had an opportunity to study current funding levels in more detail. If and when I am confirmed evaluation of these issues will be a priority.

F. Prior to beginning my work with the Department in Washington, D.C., I met with the Atlanta District Counsel and his staff. I have also had an opportunity to meet other "field" attorneys who have been in the Washington, D.C. area on travel. They have impressed me with the nature and extent of the legal services and support they deliver to field facilities and veterans. I believe these attorneys who are "out there in the trenches" deserve all the support that we can provide to them.

If confirmed, I will be meeting with all of the District Counsels at an August, 1993, National training meeting. It is also my intent to visit and meet with the staff of as many of the District Counsels offices as possible within budgetary constraints.

7. The Court of Veterans Appeals has had a significant impact on VA in many ways and I would appreciate your views on the following issues related to the Court:

A. The staffing of the OGC office responsible for representing the Secretary before the Court, broken down by attorney and other positions, the turnover and vacancy rate for attorney positions in this office and your general level of satisfaction with the staffing situation in this office .

B. Your level of satisfaction that the staff of the OGC office that represents the Secretary before the Court has sufficient experience and training in appellate advocacy.

C. Your views on the proper roles of OGC and the Board of Veterans' Appeals on matters relating to the Board's operation and decisions and your evaluation of that relationship at present.

D. How a difference of opinion between OGC and the Board as to whether and to what extent a case should be defended before the Court should be resolved.

E. The role OGC can and should have in dealing with the overall VA adjudication process now that judicial review is available and some existing elements of that process may no longer be needed or appropriate.

F. Your views on the concerns which have been raised, most recently by the Court in a decision by the Chief Judge, about the process of designating the record on appeal to the Court and, more specifically, your views on which office -- OGC or the Board -- should have primary responsibility for designating the record and what level of staffing is needed to ensure that this process is carried out in a timely and effective manner.

G. Your views on what OGC can do to ensure that VA fully implements and complies with rulings, decisions, and orders issued by the Court.

ANSWER:

A. It is my understanding that until January 1, 1990, the responsibility for judicial review rested with Professional Staff Group II. I have been advised that on January 1, 1990, responsibility for judicial review was transferred to a newly created Professional Staff Group VII (Appellate Litigation). At that time, PSG VII consisted of one supervisory attorney and six appellate litigation attorneys, all of whom have remained with the Group.

I have been told that by late 1991, Group VII had grown to become the largest of all professional staff groups in the Office of General Counsel. The current staffing levels include one Assistant General Counsel, a Counselor, four Deputy Assistant General Counsels, two attorney Special Assistants, 34 appellate attorneys, and a support staff of 28 persons. A copy of the Group's current organization chart is attached for the Committee's review.

Despite the heavy workload, only six attorneys have departed Group VII. Two of those attorneys transferred to other positions within VA, one to the BVA, the other to a VA district counsel office. Support staff turnover has been higher than that of professional staff personnel, which is not uncommon within the Washington, D.C., area, where numerous federal offices are located. Vacancies for both attorney and support staff positions are filled on an "as needed" basis, given overall personnel authorizations within the Office of General Counsel.

Because the Court has had such a significant impact on OGC, and because Group VII's caseload is so overwhelming, claims adjudication is an issue that I have identified as one of my priorities. However, given the complexity of the issues and inter-relationships involved in this process, it would be premature of me to express my opinion regarding staffing levels or any other issues at this time. This is one area of the Office's operation that I am committed to studying carefully and in great detail before I express any conclusions regarding current practice or possible change.

B. I certainly realize the importance of experience and training in appellate advocacy. However, I have not had sufficient time to observe and evaluate Group VII staff's expertise in this area.

I do know that the Assistant General Counsel of Group VII is a retired Army Judge Advocate with considerable experience in appellate litigation. As the Director of the Army's Government Appellate division from 1986-1989, he had responsibilities for brief writing and oral argument similar to requirements of the Veterans' Court. Group VII has a number of attorneys with extensive litigation experience, both at the federal and state levels. Each attorney working with the Group has had a minimum of at least two or more years of legal practice.

It is my understanding that continuing education and training in appellate advocacy is a Group VII priority. One of our Deputy Assistant General Counsels was recently sent to a National Institute of Trial Advocacy course to sharpen his brief writing skills, and shared with others the additional skills he developed. The Assistant General Counsel has established a program within the Group which provides in-house training on a monthly basis to all attorneys. For example, in March, a senior judge of the Army Court of Military Review made a presentation on appellate advocacy from the judge's point of view. Also, presentations by Department of Justice attorneys and others outside the Department on such topics as effective oral appellate advocacy, legal writing, and the application of the Equal Access to Justice Act have been given in recent months.

C. Simply stated, the Board of Veterans' Appeals is charged by the Secretary to conduct hearings on appeals affecting the provision of a veteran's benefits. At these hearings, the Board applies existing law to the facts in each case and renders a final administrative decision.

In its role as the Chief Legal Advisor for the Department and all of its components, the OGC provides legal advice to the Board by means of legal precedents, and binding and advisory opinions concerning veterans law. In addition, the OGC will defend the Secretary if the Board's decision on a case is appealed to the CVA.

Because the Board may apply facts in cases before them to legal opinions and advice rendered by the OGC, it is essential that there be a close cooperative working relationship between the two offices. It is my understanding, that such a relationship currently exists. I have recently had an opportunity to meet with Chairman Cragin and other Board members and I envision that this close relationship will continue.

D. The BVA and OGC both represent the Secretary, one administratively and one in litigative matters. I understand that when there is a difference of opinion between the OGC and the Board as to whether or not a claim decision should be defended before the Court, the final judgment belongs to the General Counsel as the Chief Legal Officer of the Department. It is also my understanding that representatives from OGC and the BVA meet weekly to facilitate communication between the two offices and resolve questions concerning the defense of claim decisions and other issues.

E. I do not currently have sufficient information concerning the overall adjudication process. Therefore, I believe it would be inappropriate to conclude what role the OGC should play in such a process, or to make any recommendations with respect to modifying that process.

F. I am aware that the issue raised by the Chief Judge, with respect to the process of designating the records on appeal to the Court, has been the subject of much discussion within the Department. I have been a party to the discussion of several options being considered to resolve this issue, each of which has positive and negative elements.

While I have participated in one of these discussions with the Chairman of the Board of Veterans' Appeals, I have not reached any final decision as to the approach that is best for the Department. I will, however, be pursuing this issue on an expedited basis since I realize its importance to the litigative process.

G. I have been told that the office currently has in place procedures which require that OGC attorneys involved in the litigative process before CVA meet with BVA and VBA personnel to discuss court decisions and orders, to ensure that necessary implementation action is taken.

It is also my understanding that these meetings result in agreements with respect to the action that must be taken, and how various organizational entities will work together to issue necessary guidance materials. Conference calls are also made to field stations to disseminate information with respect to Court decisions and to provide guidance for necessary action. I intend to carefully review these current practices in more detail, and to be open to other means by which we can ensure that the Court's decisions are fully implemented and that the Department, and all of its components, is in compliance with them.

# Appellate Litigation Group VII

MANAGEMENT/ATTORNEY STAFF

Assistant General Counsel (027)

Norman G. Cooper

Supervisory  
Paralegal (027P)

Peggy U. Hall

Counselor (027L)

David T. Landers

Special Assistants (027A)

David W. Engel (Litigation)

Dean E. Sharp (Management)

Dep. Assistant G.C.  
(027B)

Andrew J. Mullen

EDUCATION & TRNG  
LOAN GUARANTY  
Jacquie Monroe(Sr Attny)

Butler  
Davis  
Foehl  
Galla  
Katina  
Llewellyn  
Selfon  
Washington

Dep. Assistant G.C.  
(027C)

Pamela L. Wood

RADIATION/  
TOXIC SUBSTANCE  
EXPOSURE  
Steve Bergquist(Sr Attny)

Flynn  
Gordon  
Kabatchnick  
McNamee  
Milgram  
Smalls  
Winkfield

Dep. Assistant G.C.  
(027D)

Thomas A. McLaughlin

38 USC 1151  
VHA APPEALS  
Joan Moriarty(Sr Attny)

Cassidy  
Clementi  
Hutter  
Koerber  
Lake  
Lindsay  
Masciola  
Mayerick

Dep. Assistant G.C.  
(027E)

R. Randall Campbell

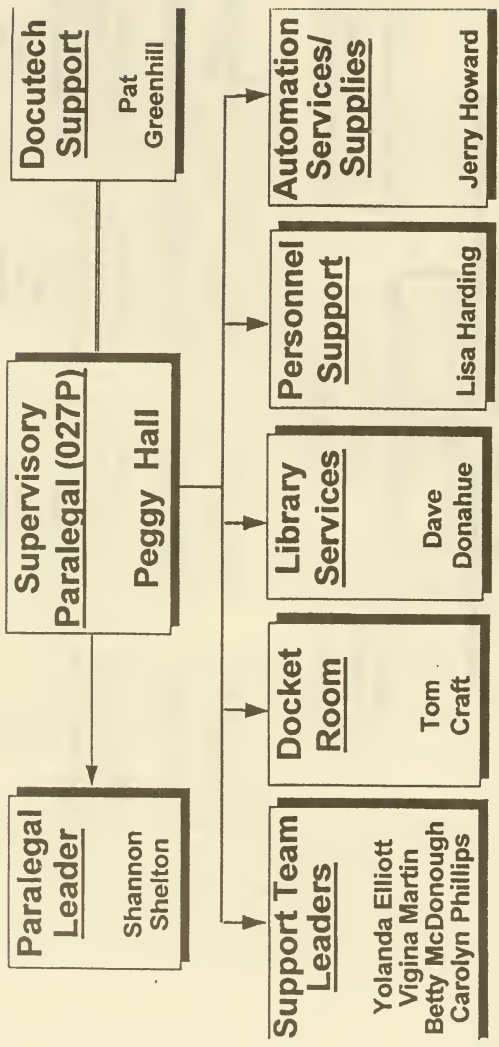
INSUR. WRITS,  
ATTY FEES/COSTS  
R.35, CAFIC COORD  
Mike Leonard(Sr Attny)

Donawick  
Fent  
Finsness  
Sims  
Singleton  
Sinhamahapatra  
Wuchinich

3/24/93

# Appellate Litigation Group VII

## SUPPORT STAFF





8. In what ways, if any, do you see the responsibilities of VA's General Counsel in interpreting, construing, and implementing laws relating to veterans' benefits as different from the responsibilities of General Counsels of other Federal departments with respect to entitlements and other benefits administered by those departments?

ANSWER:

At this time, I am aware of one significant way in which the responsibilities of the VA's General Counsel are different from the responsibilities of General Counsels in other Federal departments with respect to the administration of entitlements and benefits. The statutes and regulations governing entitlement to veterans' benefits are quite lenient with regard to proof of claims, and contain a number of presumptions which assist claimants in overcoming evidentiary difficulties. It is well-established policy of the Department of Veterans Affairs that these statutes and regulations must be liberally construed to further the beneficial purposes Congress meant to accomplish. Thus, all actions interpreting, construing and implementing veterans' laws are based on the premise that the veterans shall be given the "benefit of the doubt" in cases where the evidence is equally balanced. Congress also has strongly expressed its intention that the VA claim-adjudication process function with a high degree of informality and support for the claimant and for that reason has imposed on VA a duty to assist claimants in the development of their claims. Consequently, unlike General Counsels in other Federal departments, our office is charged with helping to ensure that veterans' benefit laws are applied in a manner that maintains these protections.

9. Do you anticipate that OGC will have any contact with the Office of Congressional Affairs with reference to responding to the Veterans' Affairs Committees and other congressional offices on requests for technical assistance or information? If yes, please delineate what you see as that contact.

ANSWER:

Currently the OGC does have contact with the Office of Congressional Affairs regarding requests for information and technical assistance which we receive from "the Hill." A Congressional Affairs Office representative attends our weekly OGC staff meetings for this purpose. It is my intent to continue this practice.

The Department is very fortunate to have Ed Scott as its designee for the position of Assistant Secretary of the Office of Congressional Affairs. Mr. Scott's legislative knowledge and experience will be invaluable to the Department given the challenges which lie ahead of us. I have indicated my commitment to work closely with him and I envision that our offices will work closely together in a spirit of cooperation and mutual support.

10. A. What role, if any, do you anticipate playing in the formulation and implementation of Department policies and plans -- for example, VA's role in national health reform -- if you are confirmed?

B. With specific reference to health care reform, please describe any education or experience you may have that you believe would assist you in working on that issue.

C. What relationship will you and OGC have with other elements within the Department, such as the Veterans Benefits Administration, the Veterans Health Administration, and the National Cemetery Service?

D. What role do you anticipate you and OGC will play in the development of VA's legislative program and specific legislative proposals?

ANSWER:

A. The mission of the OGC as set forth in the Department's job description is to assist the Secretary in formulating Department policy and provide legal advice and services to the Secretary and all organizational components in the Department. If I am confirmed, I will provide such assistance in the formulation and implementation of any and all Department policies. It would be premature to anticipate what specific assistance the Secretary may request from me or the OGC regarding National Health Care Reform, but we do expect to play a significant role in its development and implementation within VA.

B. It is difficult at this time to speculate how, or in what way, my health care education and experience may assist me in working on health care reform issues. However, it is my belief that my health care experience as a practicing registered nurse and patient advocate has sensitized me to consumer needs and concerns. My experience as the Executive Director of the Georgia Nurses Association has made me aware of the individual and collective concerns of health care providers and professions. And finally, my personal experience as a nurse administrator, and my legal representation of hospitals and nursing homes in my first job out of law school provided me with an

appreciation for the concerns of health care facilities regarding government regulation and control.

C. As indicated in my answer to question A above, I plan to work closely with all components of the Department, and to provide them with legal advice and services.

D. The OGC will carry out the role assigned to it by the Secretary. This role is defined in the attached description of the mission and goals and objectives of the OGC.

## OFFICE OF THE GENERAL COUNSEL

The mission of the Office of the General Counsel is to work towards the objectives of the Department of Veterans Affairs by assisting in formulating policy, and providing legal advice and services to the Secretary and all organizational components in the Department.

Specifically, the General Counsel is VA's chief legal officer on all matters of law, litigation, and legislation. The General Counsel interprets all laws pertaining to the Department; has final legal authority in issuing Departmental regulations that implement those laws; is responsible for the conduct of litigation, both independently and in coordination with the Justice Department, in State and Federal courts; and in close cooperation with the appropriate VA officials prepares, for the Secretary's approval, legislative initiatives for submission to OMB and Congress.

### GOALS AND OBJECTIVES

The Office of the General Counsel has responsibility for:

- Coordinating with appropriate VA officials the development of, and recommending to the Secretary, sound and effective legislative proposals to support VA objectives and programs.
- Advising VA officials of legal issues and options in carrying out VA objectives and programs.
- Assuring legal accuracy and sufficiency of VA regulations issued to implement existing or newly enacted laws.
- Preventing or resolving litigation affecting VA and its employees.
- Providing appropriate training to VA Central Office and field personnel in legal functions.

11.A. Please describe the relationship you have or will seek to develop with the general counsel of other departments and agencies with which VA shares certain interests, such as health care, housing finance, education, employment, and other matters.

B. With which other departments or agencies do you think it is most important to establish and develop such interagency legal-department relationships?

ANSWER:

A. & B. I will seek to develop strong working relationships with the General Counsels of departments and agencies with which we share common interests and concerns. I also envision the need to develop a working relationship with the legal component of the Office of Management and Budget.

RESPONSES TO POST HEARING QUESTIONS

To

Mary Lou Keener

General Counsel-designate, Department of Veterans Affairs

from

Senator John D. Rockefeller IV

Chairman, Committee on Veterans' Affairs



1. The Office of General Counsel has issued opinions regarding two matters -- on procreative services for veterans in 1985 and on assistive animals in 1987 -- on which our Committee and the Senate have taken legislative action in the past. Persons concerned about these matters have asked me to reintroduce legislation on these issues similar to what was passed before. Before doing so, however, I feel that it is important to know whether, if you are confirmed, you would concur with those opinions. Would you please review both opinions and report to me in writing within 30 days as to whether you agree with these opinions and whether you believe further legislation with respect to these matters is appropriate and desirable in order for the VA to meet its obligations to veterans.

ANSWER:

I will be pleased to review the two opinions, and provide you with my written views as requested.

2. I am concerned about the contract that VA and the Department of Defense are supposed to enter into with the National Academy of Sciences' Medical Follow-up Agency, under the Persian Gulf War Veterans Health Status Act of 1992. Under that contract, the Medical Follow-up Agency would investigate, scientifically, the anecdotal reports we've heard of illnesses in Persian Gulf War veterans. Section 706 of that law required VA to try to sign the contract within 180 days of the law's enactment on November 4, 1992 -- which expired last Monday, May 3.

A. Do you know the status of that contract?

B. I am concerned that VA is not making a good-faith effort on this. I know that the General Counsel's Office represents VA on contracting issues. I would like VA to sign a contract with the Medical Follow-up Agency without any further delay. For every day past last Monday, May 3, I consider VA to be in violation of the spirit -- if not the letter -- of the law Congress enacted last year. Will you make a personal effort to ensure that this contract is signed either before you are confirmed or immediately after your confirmation?

C. I also am concerned that the funding under that law has not yet been provided to the Agency because of the contract delay. The funds provided for fiscal year 1993 are to pay for the contract, but the funds required for the next nine years are meant to provide "core" funding for all Agency activities involving veterans health. Please take steps, along with Mark Catlett, to ensure that the FY 1993 funds are dispersed immediately upon execution of the contract and that there are no restrictions, beyond those provided in last year's law, on the nine-year core funding that VA and DOD must provide to the Agency?

ANSWER:

A. I understand that VA and DoD are in the process of finalizing the interagency agreement which is required for the two Departments to fund the contract with the Medical Follow-up Agency (MFUS). I also understand VA and DoD have had discussions with MFUA regarding the MFUA plan for the project, and cost estimates.

B. I will personally follow-up on the execution of this contract.

C. Immediately after the contract is executed, I will coordinate my efforts with Mr. Catlett to ensure that funding is disbursed in accordance with the spirit and letter of the law.

3. I have some follow up questions to my prehearing question of the Gardner v. Derwinski case.

A. In response to my question about the current status of section 1151 claims while awaiting the circuit court's decision, you said that VA's current policy should be reviewed "if a decision is not forthcoming within a reasonable period of time. Given that so many claims are being held in abeyance pending the court's decision, what do you believe is a reasonable period of time for VA to continue to wait?

B. You noted that questions about the retroactive effect of the Gardner decision, if the Court of Veterans Appeals decision is upheld, "may have to be resolved in the courts." Would you foresee that happening in the context of presenting pending cases or would you anticipate new litigation on this issue?

C. In response to my question about what recommendation you would make for changes in current law if the Gardner decision is upheld, you responded that this issue is "primarily an issue of policy." Granting the accuracy of that analysis, I'm sure that you agree that as General Counsel you should play an important role in shaping policy choices. In light of that role,

i. Based on your experience in the area of malpractice law, what do you believe is the best result that both provides a remedy to veterans who suffer injury while in VA care and yet does not adversely impact VA's health-care delivery system?

ii. With specific reference to your discussion of how section 1151 covers injury that occurs as a result of "accident", which the Federal Tort Claims Act and, indeed, most other medical malpractice laws, does not cover, do you believe that this result is appropriate or would you recommend that section 1151 be more limited in its coverage?

iii. What role do you believe informed consent should play in limiting the coverage of section 1151?

ANSWER:

A. I understand that the U.S. Court of Appeals for the Federal Circuit usually rules on complex VA cases within six months after oral argument. When compared with other U.S. Courts of Appeals, this is not atypical. Although our experience with the time required for appellate review of decisions of the Court of Veterans Appeals is admittedly limited, we suspect a decision may not be forthcoming until this Fall.

Oral argument on the Gardner case was heard by the U.S. Court of Appeals on November 9, 1992. Therefore, I believe it would be reasonable to postpone any review of VA policy with respect to Gardner claims to September 9, 1993.

B. I suspect the issue of "retroactivity" will most likely be resolved in further litigation of pending cases. For example, even if Section 1151 benefits are awarded, a veteran who is not satisfied with the effective date of that award could submit a notice of disagreement and appeal the issue of retroactivity to the BVA with eventual review by the Court of Veterans Appeals and the Federal Circuit. In addition, some of the legal issues involving retroactivity will be presented in cases which have been remanded to VA for additional factfinding and readjudication in light of the Gardner decision. And finally, some of these issues, such as the effective date of an award where clear and unmistakable error is found in a decision made before the CVA was established, may be litigated outside the context of Gardner. One case in which such an issue has been raised, Smith v. Brown, CVA No. 91-871 (Oct. 22, 1992), is on appeal to the Federal Circuit and its resolution may affect the effective dates of awards for Section 1151 cases.

C. (i) If the Gardner decision is upheld, it is my hope that we will find a way to equitably balance the rights and interests of individual veterans who suffer additional disabilities as a result of "VA care" and those of the veterans community as a whole as consumers of the VA healthcare delivery system

In my opinion, when a veteran suffers an injury or an aggravation of an injury "while in VA care" s/he should ordinarily be compensated for it. However, if carried to the extreme, such a policy would require the VA to compensate veterans who experience additional disabilities due to exacerbation of a pre-existing condition, or a known and recognized risk or complication of that condition. It could also require compensation for known, recognized, and foreseeable risks and complications of treatments and procedures. Compensation of individual veterans for such injuries would, in my opinion, impact the Department's resources to the extent that it could adversely affect the healthcare delivery system and veteran consumers as a whole. The VA should not be required to be a no-fault insurer of the outcome of medical care. Although it is impossible to predict the costs of such a system, it has been predicted that the five-year cost could exceed \$2 billion dollars.

We can preserve the system, which is in the best interest of all veterans, and also provide a remedy to those veterans who suffer injuries as a result of "VA care" by providing the following remedies:

(1) The system should compensate individual veterans who suffer additional disabilities due to "VA care" when the system fails them, not merely because their condition deteriorates or they experience a well-recognized complication or risk of a disease, treatment or procedure.

(2) The system's failure should be determined in the same manner and in accordance with the same standards applied to patient care in non-VA hospitals. Applying a different standard of compensation for results of VA care sets up an inequality between veterans who are treated at non-VA facilities compared to veterans treated at VA facilities.

(3) However, in keeping with our commitment to the "benefit of the doubt rule," I do believe veterans as healthcare consumers should be provided one exception to these generally accepted standards of care. This exception would involve compensation for additional disability which results from accidents occurring while in "VA care." The number of veterans who are compensated under the "accident" standard is apparently not so substantial that it would have a significant adverse effect on the healthcare system.

C. (ii). See my answer to C (i).

I do believe that Section 1151 should provide compensation for injuries that occur as a result of an accident.

C. (iii) See my answer to C. (i)

Under general tort law principles, an individual is not compensated for reasonably foreseeable injuries that are known and recognized risks or complications of medical treatments and procedures. Consequently, the legal doctrine of informed consent requires that patients be apprised of such risks and complications, and knowingly and voluntarily consent to the prescribed treatment or procedure.

Given the moral and legal obligations of the system to provide informed consent to all veterans, it is my belief that it is not unreasonable to properly limit 1151 to preclude compensation for those results of care for which informed consent has been given and which are generally accepted in the medical community as a potentially foreseeable and recognized risk of the procedure involved.

4. What is your estimate of the time frame within which VA will come to an answer on the issue of the designation of the record on appeal to the Court of Veterans Appeals?

ANSWER:

I am hopeful this issue can be addressed and an acceptable resolution achieved within the next 60 days.

5. Over the past several years, there has been a continuing trend of the Office of General Counsel office providing services for the Department's Loan Guaranty Division by contracting those services to private counsel instead of providing those services directly. I understand that data indicate that contracting out these services to non-VA counsel costs nearly twice as much as performing the services directly by the Office of General Counsel.

A. Is this cost information correct?

B. [If yes] Do you agree that this practice should be reviewed to determine if there is a good reason for using such outside contracts in light of the cost implications?

ANSWER:

A. Yes, I am advised that in most cases your information is correct.

B. At this time, based on my limited knowledge of past and present FTEE levels, it is my opinion that we have no choice but to utilize outside contract attorneys for the Loan Guaranty Program. The only alternative is to hire additional staff to conduct the work in-house, and as you know we are not able to do so because of budget constraints.

Although, generally VA staff may be more cost effective than contract attorneys, in some instances this is not the case.

For example, routine foreclosure and eviction actions must be filed and litigated in the court having jurisdiction over the geographic area where the property is located. One District Counsel office may have actions pending in numerous courts, each being a 30 to 90 (or more) minutes' drive from the VA office. In larger states, and in offices which have jurisdiction over multiple states, the court of jurisdiction could be several hundred miles from the VA office. Handling these matters in-house could require an attorney to spend 20 to 30 hours a week shuttling between courthouses and waiting for cases to be heard while litigating only a half dozen or so cases a week. This is not a productive use of our existing limited staff, and may justify the use of fee basis attorneys even though their hourly rate of compensation may be more than that of VA attorneys.

I do agree that we should have access to more complete and accurate records regarding the use of contract attorneys and have requested that, if possible, we attempt to capture such data for future use.

6. This question is directed to both Mr. Catlett and Ms. Keener: Last year, the General Accounting Office confirmed very disturbing reports that VA facilities were using medical-care funds to pay some of the expenses of collecting from private health insurers the cost of certain medical care for veterans. As you both know, the law allows VA to pay the administrative costs of those collections only out of the funds actually collected. As a result of the GAO investigation, the Comptroller General officially notified VA on November 10, 1992 that VA had apparently broken the law by using medical care funds to pay for bill collecting.

I don't think VA has adequately addressed this Committee's concerns -- and the Comptroller General's legal notice -- regarding this issue.

A. Will both of you, together, please look into this and report back to me within 10 days about the steps VA has taken to prevent this from happening ever again?

B. I am concerned that VA's system of establishing facility-by-facility targets for collections from health insurers, and then enforcing those targets with financial rewards and penalties in medical-care funding for each facility, puts extremely inappropriate, non-medical pressures on medical center directors. Will both of you look into this and provide the Committee with a copy of your recommendation to the Secretary for any changes in this system that you think are necessary -- beyond the changes recommended by GAO that you already are implementing?

ANSWER:

A. After discussing this matter with Mr. Catlett, I believe I can safely say that VA officials take very seriously the GAO draft report finding that Medical Care funds were used to support Medical Care Cost Recovery (MCCR) activities. I am advised that a number of steps have been taken to ensure that this situation does not reoccur. I understand that both the Under Secretary for Health and the Chief Financial Officer have issued guidelines to field facilities to ensure that Medical Care Cost Recovery expenses are properly charged to the MCCR Fund. These guidelines instruct field facility personnel that the mixing of funds between these two accounts is not permissible. The guidelines expressly state that Medical Care funds cannot subsidize MCCR activities. Copies of these documents are enclosed for your review.

In addition, I have been advised that VA staff have had a number of nationwide conference calls with fiscal officers and MCCR facility staff stressing the importance of charging costs to the proper Medical Care or MCCR account.

Both Mr. Catlett and I support these actions and believe that VA will strive to maintain the integrity of these two accounts.

B. Because this is primarily a budget and financial policy matter, I will defer to Mr. Catlett's response concerning recommendations. I have, however, discussed this issue with Mr. Catlett and have offered to provide him and his staff with any legal counsel they may desire.



Department of Veterans Affairs  
 Veterans Health Administration  
 Washington, DC 20420

VHA DIRECTIVE 10-93-013

February 9, 1993

TO: Regional Directors; Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Regional Offices with Outpatient Clinics and Information Systems Centers

SUBJ: MCCR (Medical Care Cost Recovery) Appropriation

1. **PURPOSE:** The purpose of this VHA (Veterans Health Administration) directive is to provide guidance for management of the MCCR Appropriation, 36X5014, Operating Budget. This directive will not be incorporated into a permanent issue at this time.

2. **POLICY:** All VA (Department of Veterans Affairs) facilities participating in MCCR activities are to charge all necessary expenses for the identification, billing, and collection of the cost of care and services furnished under 38 U.S.C. (United States Code) Chapter 17, and for the administration and collection of payments required under 38 U.S.C., Section 1710(f), for hospital care or nursing home care, under 38 U.S.C., Section 1712(f) for medical services, under 38 U.S.C., Section 1722A for medications, and under 38 U.S.C., Section 1729 for recovery of cost of certain care and services to the 36X5014 Appropriation. While fulfilling this directive, all VA facilities must remain within the MCCR Appropriation funding allowances and are not to charge MCCR costs to other Appropriations. The Medical Care Appropriation cannot subsidize the MCCR activity and FTE (Full Time Equivalent) used to support MCCR cannot exceed the FTE allotted by the MCCR Program Office. All VA facilities are to efficiently manage their MCCR operating budget to ensure continued operation of the MCCR Program.

### 3. ACTION

a. All medical centers, outpatient clinics, regional offices and ISCs will follow the accounting procedures contained in the recently revised OMB Circular A-34 and MP-4, part V.

b. The following guidelines are to be used in determining direct and indirect charges to the MCCR Appropriation, 36X5014.

#### (1) Personal Services

(a) All employees engaged in full-time MCCR activities are to be costed (journalized) to the designated MCCR Appropriation cost center. Cost transfers will be prepared monthly for employees performing part-time MCCR activities. Total cumulative FTE may not exceed the FTE allotted by the MCCR Program Office. Costs for personnel and first-line supervisors providing direct service are to be charged to the MCCR Appropriation.

(b) If the first-line supervisor is at or above the service chief level, charges for direct service are not to exceed 10 percent of the supervisor's time. Higher level management costs in the performance of MCCR activities are not to exceed 5 percent of the manager's time. Physicians' time is not to be charged to the MCCR appropriation.

THIS VHA DIRECTIVE EXPIRES FEBRUARY 9, 1994

VHA DIRECTIVE 10-93-013  
February 9, 1993

(c) Agent cashiers are to be charged to the MCCR appropriation for functions directly relating to the MCCR Program. Activities performed by agent cashiers prior to the establishment of the MCCR fund are to be charged to the medical care appropriation. The MCCR appropriation should not support all agent cashier functions.

(d) MCCR staff performing the collection activities for CHAMPVA (Civilian Health and Medical Program of the VA), sharing agreement reimbursements, ineligibles non-veteran patient reimbursements, tort feason reimbursements, and emergency/humanitarian patient reimbursements must be charged to the medical care appropriation. Cost transfers for these employees must be accomplished monthly.

(e) Functions performed by medical record coders for inpatient activities are not chargeable to the MCCR appropriation. The proper coding of inpatient medical records is a necessary function of medical care. MCCR is a user of the inpatient medical record data and has not established new coding requirements. Inpatient coding functions are not supportable by MCCR since the data required by MCCR is common to the inpatient medical data requirements of VHA, independent of MCCR. Functions performed by medical record coders for outpatient activities are chargeable to the MCCR appropriation. The coding of outpatient medical records is not a medical care requirement. However, for MCCR to seek reimbursement from insurance carriers, coding of outpatient records is necessary. Therefore, the costs for outpatient coding activities is chargeable to the MCCR appropriation.

(2) Equipment. The costs of ADP and NON-ADP equipment used in the daily operation of MCCR activities are to be charged to the MCCR appropriation and recorded on each facility's MCCR CMR (Consolidated Memorandum of Record).

(3) Other Services. Most of the charges in this object class will reflect contractual services directly attributable to the operation of the MCCR program. M&R (maintenance and repair) services for equipment purchased with MCCR funds are included in this category.

(4) All Other. These charges comprise items that are a direct result of performing the MCCR functions. Included are direct charges for supplies and materials; rents and communications; printing and reproduction; and transportation of things. Charges to the Operating Supplies Subaccount will be closely monitored and must be for direct support of MCCR functions. Overhead charges for utilities and housekeeping should be based on an administrative square footage rate. Other overhead charges should be distributed based upon the percent of assigned MCCR FTE to the total FTE for the medical facility or outpatient clinic. This should be similar to the way overhead is charged to Canteen and Research Services.

(5) Central Funding. Training costs will be funded centrally and are not to be charged to the MCCR appropriation without prior approval from the MCCR Program Office. Funding for regional and national conferences will be managed centrally. All PCS (Permanent Change of Station) charges require prior authorization from the MCCR Program Office and will be funded centrally. Regular mail service and employee travel will be funded centrally and should not be charged to the MCCR appropriation without prior authorization. Requests for central funding initiatives must be submitted through the Regional Coordinators for medical centers and through the Director, MIRM (Medical Information Resources Management Office) for the ISCs. The Director, MCCR Office, has final approval.

VHA DIRECTIVE 10-93-013  
February 9, 1993

c. The MCCR appropriation, 36X5014, is a no-year fund. However, OMB (Office of Management and Budget) currently limits funding availability on an annual basis by four obligation categories: Personal Services, All Other, Equipment and Other Services. Therefore, facilities will not transfer funds between categories. As of the close of business on September 30 of each year, the unobligated balances, less the subsequent years apportioned balance, remaining in the 36X5014 appropriation are to be transferred to the Treasury as miscellaneous receipts. All unobligated funds from the preceding fiscal year will be withdrawn no later than January 1 of the current year. Facilities will not make obligations at the end of a fiscal year and then deobligate the funds in the next fiscal year in an effort to retain resources. An annual RAR (Requirements and Analysis Report) will be conducted to provide an opportunity to request nonrecurring funding and to establish an operating plan for the current fiscal year. Quarterly needs and excesses reports will be conducted.

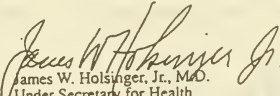
(6) CDR (Cost Distribution Report). Costs transferred from the medical care appropriation to the MCCR appropriation will represent all support of the MCCR activity charged to medical care due to payroll and accounting systems limitations. The cost transfer transactions are to be completed prior to the closing of monthly accounting transactions. Reporting MCCR support cost on the CDR will no longer be allowed.

4. REFERENCES

- a. Title 38, U.S.C. Chapter 17.
- b. OMB Circular A-34.
- c. MP-4, part V.

5. FOLLOW-UP RESPONSIBILITY: Director, Medical Care Cost Recovery Office (165).

6. RESCISSIONS: This VHA directive will expire February 9, 1994.

  
James W. Holsinger, Jr., M.D.  
Under Secretary for Health

DISTRIBUTION: CO: E-mailed 2/9/93  
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Department of  
Veterans Affairs

# Memorandum

Date: JAN 15 1993

From: Assistant Secretary for Finance and Information Resources  
Management (004)  
Subj: Improper Funding of Medical Care Cost Recovery Activities,  
Department of Veterans Affairs, 36X5014 - Medical Care Cost  
To: Recovery Fund  
All Medical Center Directors (00/04/24)  
All Fiscal Officers (04)

1. This memorandum is to notify you of my general concern regarding VHA moving funds from one appropriation to another -- misapplication of funds. During the last 12 months, this issue has risen both at the VHA account level and within individual hospitals. I am particularly concerned by questions that have been raised over the administration of MCCR funds.
2. In view of the above, I am requesting the Under Secretary for Health to provide you instructions and the Fiscal Year 1993 allocations as approved by the Office of Management and Budget (OMB). As you know, funds for the MCCR program were provided by Congress and apportioned to the Department by the Office of Management and Budget. MCCR program operations exceeding the available funds are required to be reported as an antideficiency.
3. It is important for you to be aware of the implications of your actions regarding spending limitation and restrictions in the use of appropriated funds. When there is uncertainty on a particular action that may affect these limitations, it is incumbent upon you to contact your VHA budget representative or the Office of Financial Management for advice and guidance before proceeding.
4. Frank Derville, Deputy Assistant Secretary for Financial Management, is available on (202) 233-3008 to address any of your questions.

  
S. Anthony McCann



DEPARTMENT OF VETERANS AFFAIRS  
General Counsel  
Washington DC 20420

May 27, 1993

In Reply Refer To:

The Honorable John D. Rockefeller IV  
Chairman  
Committee on Veterans' Affairs  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

In reply to your post-hearing question concerning the  
Agent Orange Act of 1991, enclosed is my response.

With best wishes,

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary Lou Keener", is written over the typed name.

Mary Lou Keener  
General Counsel

Enclosure

## RESPONSE OF MARY LOU KEENER TO POST-HEARING QUESTION

QUESTION:

It was either Senator Akaka or Senator Campbell that referred to your interest in Agent Orange. And pursuant to that act of 1981, the National Academy of Sciences Agent Orange Project is due in July and it will detail its views on the current scientific understanding of relationships between exposure to Agent Orange and disabilities or diseases. This is one of the really controversial issues.

I ask that you review the law to appreciate fully the requirement in that law that the Secretary exercise something called "independent judgment" after considering the NAS report in deciding whether to service-connect certain diseases related to exposure to Agent Orange. I think it is clear under the act that the Secretary is not supposed to merely rubber stamp the NAS report either as to conditions that the report says are not related to Agent Orange or as to conditions that the report says are related. So could you take a look at that law and report back, if you can, within 10 days after you are confirmed, there is a reason for that, your interpretation of the Secretary's responsibility to exercise independent judgment in making the service-connection decisions required under the law?

RESPONSE:

I have closely reviewed the Agent Orange Act of 1991, and, in my opinion, the terms of that law codified at section 1116 of title 38, United States Code, clearly require the Secretary to exercise independent judgment in making the determination whether a disease associated with exposure to Agent Orange or other herbicide agents used in Vietnam warrants a presumption of service connection. Although the Secretary is required by section 1116(b)(2) to take into account the National Academy of Sciences (NAS) reports provided for under the Agent Orange Act of 1991, his determination must also take account of "all other sound medical and scientific information and analyses available to the Secretary." Thus, Congress clearly contemplated that, in addition to considering the NAS reports, the Secretary would consider other available sources of information. The reference in section 1116(b)(2) to evaluation of studies by the Secretary to determine whether they are statistically significant, capable of replication, and able to withstand peer review is another indication Congress intended that the Secretary consider more than just the NAS' findings in making decisions concerning presumptions. Further, section 1116(c) reflects that it is the Secretary, not the NAS, who determines whether or not a presumption is warranted with respect to each disease studied. Congressional debates on the measure confirm that the "ultimate decisions" on



presumptions of service connection are left to the Secretary. See, e.g., 137 Cong. Rec. H729 (daily ed. Jan. 29, 1991) (statement of Rep. Applegate). There is nothing in the statute or its history which suggests that a different allocation of responsibility would apply depending on whether the NAS made a positive or negative recommendation with respect to a particular disease. Thus, as you have recognized, it is clear that under the Agent Orange Act of 1991 the determination whether a certain disease warrants a presumption of service connection is to be based on the Secretary's independent judgment and not on his "rubber-stamping" of NAS reports.

I also note that, regardless of what the NAS recommends and the Secretary determines regarding the possible association between exposure to Agent Orange or other herbicide agents and development of non-Hodgkin's lymphoma (NHL), that determination would not require the Secretary to amend the current regulation providing a presumption of service connection for that disease when suffered by a veteran with service in Vietnam during the Vietnam era. That regulation, which is found at 38 C.F.R. § 3.313, is based solely on the association between NHL and service in Vietnam during the Vietnam era, not on a possible association between the disease and herbicide exposure. See 55 Fed. Reg. 43,123, 43,124 (1990). Thus, the original basis for the regulation would not be affected even if the Secretary were to determine, following receipt of an NAS report, that there is no relationship between herbicide exposure and development of NHL.



DEPARTMENT OF VETERANS AFFAIRS  
Office of the General Counsel  
Washington DC 20420

June 21, 1993

In Reply Refer To:

The Honorable John D. Rockefeller, IV  
Chairman  
Senate Committee on Veterans' Affairs  
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed are my responses to two of the three remaining  
post-confirmation hearing questions you asked me to respond to.

With best wishes, I am

Sincerely,

A handwritten signature in cursive script, reading "Mary Lou Keener", is written over the typed name.

Mary Lou Keener  
General Counsel

Enclosure

- Q. In response to my prehearing question about the level of funding for the Office of General Counsel, you indicated that you were not prepared to address staffing and funding issues until you were confirmed but that, if you were confirmed, you would make such an evaluation a priority. Assuming your confirmation, would you agree to report back to the Committee within 30 days of your confirmation with your views on the adequacy of funding for FY 1994, noting specifically what functions of the office will be cut back or eliminated in the coming year if no additional funds are forthcoming and also advising the Committee of what initiatives you would expand or begin if additional funding were provided?
- A. Your follow-up question puts me in somewhat of a dilemma since it appears that resource constraints have, or will, cause some cutback in services to our clients. On the other hand, we must all participate in the effort now underway to reduce the national deficit and I believe we have been treated fairly in this process. Moreover, I believe we have sufficient resources to meet our major legal obligations.

Notwithstanding the above, and in response to your request to identify specific functions that have been, or will be, cut back, I have been advised that such reductions are primarily in the area of preventive/training activities to our field facilities by our District Counsels, as well as necessitating some increase in the use of private sector attorneys in the Loan Guaranty program. We will be addressing these areas of concern in the FY 1995 budget process as well as three other areas that we have not been able to fully staff because of budget restraints: namely, our ethics advisory program; our legal support to the newly decentralized construction program; and the extension of the Equal Access to Justice Act to attorneys handling claims before the new Court of Veterans Appeals.

- Q. On the issue of claims adjudication, which you identified as one of your priorities, please provide the Committee, within 30 days of your confirmation, with your views on how the overall issue of the claims adjudication process within VA should be addressed. I am not asking for final answers but rather for your views on how to move forward on this terribly important, terribly complicated issue.
- A. Secretary Brown has made it a high priority to reduce the backlogs of pending claims and administrative appeals of claim decisions.

As you are aware, VA is readying legislation which would permit VA to redirect existing resources to address the problem. We will be proposing a bill to eliminate the requirements for annual-income verifications by all recipients of need-based VA benefits, which should free up the services of some 244 FTEE at the VA regional offices. This alone would permit VBA to reduce the pending backlog of rating actions by as many as 130,000 cases. We are proposing legislation which would, among other things, permit the Board of Veterans' Appeals to issue single-member decisions. If enacted, this would improve the Board's productivity by an estimated 25 percent during FY 1994, i.e. increase its decisional output from the currently projected 29,185 to an impressive 36,550 cases.

The realities are that additional resources for this purpose are going to be very hard to come by, and for that reason we must concentrate on using existing ones more adroitly. The Secretary is calling for a blue-ribbon panel of experts drawn from both within the VA and from the veterans' service organizations to identify other proposals for maximizing our return on these resources. I believe this is an important initiative and look forward to working with the blue-ribbon panel, and the Secretary, in addressing this important issue.



DEPARTMENT OF VETERANS AFFAIRS  
Office of the General Counsel  
Washington DC 20420

June 28, 1993

In Reply Refer To:

021:EDB

The Honorable John D. Rockefeller IV  
Chairman, Committee on Veterans' Affairs  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

Enclosed please find the report you requested in response to a question asked at my confirmation hearing on May 12, 1993.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Mary Lou Keener".

Mary Lou Keener  
General Counsel

Enclosures

**QUESTION 2:**

In response to my prehearing question about your experience in handling medical malpractice cases, you indicated that you believe that health care providers and facilities should focus on preventing medical malpractice claims. I certainly agree. Every year millions of dollars are expended on litigation and defensive medicine that might have been avoided if providers had a better understanding of the standards of care they are expected to provide. I believe the Veterans Health Administration could benefit from your experience in this area. Would you please work with appropriate VHA officials to review current VHA educational programs regarding medical malpractice issues and report to me in writing within 60 days regarding any recommendations you may have for improving those programs?

**ANSWER**

I have been advised by VHA officials from the Office of Quality Management and the Office of Academic Affairs that, at the national level, there are two distinct activities related to the analysis of medical malpractice claims that have educational components. One of these is the Closed Claims Project of the American Society of Anesthesiologists. Since 1988, VA has been a participant in this project, in which closed claims involving anesthesia were reviewed and data collected and analyzed to identify problems and develop educational materials for improving patient care, thereby reducing anesthesia incidents and claims arising therefrom. Numerous medical journal articles have been published reporting findings of the project. A copy of the most recent such article is enclosed. Recently, we were again contacted by representatives of the project, and we have agreed to make all of our more recent closed claim files available for review.

The most comprehensive VA program for malpractice claim analysis is the Tort Claim Information System (TCIS). This system was developed in 1988 in response to recommendations by the VA Inspector General and concerns expressed by the Congress that VHA should perform an extensive analysis of malpractice claims for purposes of monitoring and improving VA medical care.

The system began as a joint effort of the Office of the General Counsel and that of the Medical Inspector. In 1991, responsibility within VHA was transferred to the Office of Quality Management. As currently operated, when a malpractice claim is filed with a VA District Counsel, basic information about the claim is entered into the computerized TCIS. This information is transmitted to both the involved VA medical center and the VHA Region in which the medical center is located. The medical center conducts a peer review of the case and forwards it to the Region for additional review. The Region, in turn, forwards

2.

the information, along with any additional analysis, to the Department of Legal Medicine of the Armed Forces Institute of Pathology (AFIP). VHA has entered into a sharing agreement with AFIP, which conducts analysis of all Department of Defense malpractice claims, to perform a similar function for VA.

The results of AFIP's analysis of trends in VA malpractice cases are furnished to the Office of Quality Management and will also be reported in AFIP's publication, "Legal Medicine Open File." I am enclosing the most recent issue, which contains AFIP's initial report on VA malpractice claims. The publication is made available to all VA medical facilities and District Counsel offices. VA physicians may earn continuing medical education credit in the area of risk management by reviewing the publication and completing the quiz at the end of each issue. Thus, the TCIS entails a significant educational element as a result of AFIP's involvement in the process.

Another educational component of the TCIS derives from the VHA Regions' participation. The Regions provide ongoing oversight of the medical centers' participation as well as analysis of both open and closed claims. For example, the Eastern Region has just issued a series of reports on pending and closed tort claims covering the first half of this fiscal year. The reports are being disseminated to all facilities in the Region.

In my opinion, VA was slow in developing the capability to conduct comprehensive analysis of malpractice claim trends with a view toward improving the quality of care. Significant progress has been made in this area in the past several years, the results of which are just now becoming available. It remains to be seen whether the collection and analysis of data on malpractice claim trends will prove useful in improving care, reducing malpractice claims, or both. I will continue to monitor VHA's malpractice claim trends and to provide support from the Office of the General Counsel. At our District Counsel National meeting this summer, I intend to recommend that field attorneys share previously developed preventive medical malpractice education programs and that they explore available technology for such purposes.



DONALD W. RIEGLE, JR.

MICHIGAN

COMMITTEES

BANKING HOUSING AND  
URBAN AFFAIRS Chairman

FINANCE

Subcommittee on

Health for Families

and the Uninsured

Chairman

BUDGET

## United States Senate

WASHINGTON, DC 20510-2201  
(202) 224-4822

May 12, 1993

## MICHIGAN REGIONAL OFFICES

CENTRAL  
705 Washington Square Bldg.  
105 W. Michigan Ave.  
Lansing, MI 48223  
(517) 377-1713EASTERN  
Suite 910  
352 S. Saginaw St.  
Flint, MI 48502  
(313) 786-5115UPPER PENINSULA  
Room 323 P.O. Bldg.  
300 W. Washington  
Marquette, MI 49855  
(906) 226-7487Telecommunications  
Device for the Deaf  
(517) 377-1888WAYNE MONROE  
1155 Brewery Park Bldg.  
Suite 243  
Detroit, MI 48207  
(313) 226-3188SOUTHEASTERN  
Cantara Center Bldg. 3d Floor  
30800 Van Dyke  
Warren, MI 48093  
(313) 573-9011WESTERN  
Suite 718 Federal Bldg.  
110 Michigan Ave. N.W.  
Grand Rapids, MI 49503  
(616) 455-2582NORTHERN/LOWER  
308 Front Street  
Traverse City, MI 49885  
(616) 846-1200

Dear Chairman Rockefeller:

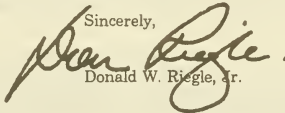
Unfortunately, I am unable to personally attend today's confirmation hearing. Therefore, I would like to submit this statement on behalf of Mary Lou Keener. I have known Mary Lou since 1969 when she was a staffer for me while I served in the House. Her work was always exemplary during the three years she served as my congressional caseworker in Washington.

Having served as both a Naval and Air Force Nurse in South Vietnam and Desert Storm, Mary Lou would bring a wealth of practical experience to the Department of Veteran's Affairs as the General Counsel. In addition to her military experience, Mary Lou has also served as a medical litigator for the past nine years.

From many years of personal contact I give her my very highest recommendation. As you review her qualifications, you will see why she would be a great asset to the Department of Veteran's Affairs.

Thank you for your consideration.

Sincerely,



Donald W. Riegle, Jr.

Statement of Edward P. Scott  
 Assistant Secretary-Designate  
 for  
 Congressional Affairs  
 Department of Veterans Affairs  
 May 12, 1993  
 Hearing of the Senate  
 Committee on Veterans Affairs

Mr. Chairman and other Members of the Committee, I am very pleased, honored, and humbled by the President's nomination of me to serve as VA's Assistant Secretary for Congressional Affairs.

As you and other members of the Committee are aware, service to America's veterans and their families has become a very large part of my life. As a member of this Committee's staff for 16 years, I was privileged to help this Committee and the Congress ensure that the Government meets as fully and effectively as possible the great obligations owed to those who have defended our nation throughout a century of wars and great dangers. Everything that you do on this Committee is in pursuit of important federal responsibilities. Just as importantly, your actions have a direct and significant -- sometimes crucial -- impact on the lives of individuals who deserve the very best. For these reasons, I found my work here immensely challenging and fulfilling. I will always be grateful to Senator Alan Cranston for that experience -- and to the members and staffs for the very kind and professional treatment I always received here.

I view my possible new role as Assistant Secretary for Congressional Affairs in much the same way as my prior role on this Committee. If confirmed, it will be my charge to help Secretary Brown maintain effective working relationships between VA and the Congress, ensure that Congress has the information it needs in order to oversee veterans programs, and pursue the enactment of legislation necessary to make VA programs stronger and more responsive and cost-effective. These responsibilities will bring me back this way on many occasions, and I relish the opportunity.

Fortunately, there is in place in the Office of Congressional Affairs, a highly dedicated and competent cadre of individuals. I look forward with great anticipation to leading this fine office in carrying out its work.

Keeping uppermost in mind the needs of individual veterans and their families, I hope that I can be of assistance to each of you, Secretary Brown, and Deputy Secretary Gober in the months and years ahead.

Thank you. I will be pleased to respond to any questions you may have.

# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

## PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: SCOTT Edward Philip, Jr.  
(LAST) (FIRST) (OTHER)

2. Present address: 3703 Inverness Drive Chevy Chase, MD 20815  
Assistant Secretary (CITY) (STATE) (ZIP CODE)

3. Position to which for Congressional Affairs 4. Date of  
nominated: Department of Veterans Affairs nomination: \_\_\_\_\_

5. Date of birth: 17 Dec 1937 6. Place of birth: Somers Point, NJ  
(DAY) (MONTH) (YEAR)

7. Marital status: Married 8. Full name of spouse: Jane Wilby Scott

9. Names and ages of children: Young Joon (34) Tracey Lynn (27)  
Edward Philip (30)  
Lauren Elizabeth (29)

10. Education:	Institution (including city and State)	Dates attended	Degrees received	Dates of degrees
	<u>Rutgers, The State Univ.</u>			
	<u>New Brunswick, NJ</u>	<u>9/55-6/59</u>	<u>B.A.</u>	<u>June 1959</u>
	<u>University of Pennsylvania</u>			
	<u>School of Law</u>	<u>9/60-5/63</u>	<u>J.D.</u>	<u>May 1963</u>
	<u>Philadelphia, PA</u>			

11. Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
- Rutgers University: Economics Honor Society (1957-59); Henry Rutgers  
Scholar (1958-59); Distinguished Military Student (AFROTC 1959);  
graduated with high honors  
University of Pennsylvania Law School: Law Review Editor (1961-63);  
awards for highest grades in taxation and most scholarly contribution  
to the law review (1963); graduated cum laude.  
U.S. Air Force: Air Force Commendation Medal (1967)  
Military Order of the Purple Heart Exemplary Service  
Award (1992)

12. Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant.

Organization	Office held (if any)	Dates
Achilles Track Club of Washington, DC	Volunteer	June 1986-present
Audubon Naturalist Society, Chevy Chase, MD	None	1981-present

13. Employment  
record:

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

U.S. Senate Committee on Veterans' Affairs: September 1990-March 1993,  
Chief Counsel and Staff Director; January 1987-September 1990 and  
February 1977-January 1981, General Counsel; January 1981-January  
1987, Minority General Counsel.  
Mental Health Law Project, Washington, DC: Staff Attorney and  
Director, Mental Health Legislative Guide, August 1973-February 1977.  
Peace Corps: January 1971-July 1973, Deputy Director and then  
Director, Peace Corps/Korea (Seoul); August 1968-December 1970,

(See Continuation Page 2a)

14. Military service: List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

August 1964-August 1967; U.S. Air Force, First Lieutenant then  
Captain; Assistant Staff Judge Advocate, Keesler Air Force Base,  
Biloxi, MS.; Court martial defense and prosecution; representation  
of respondents before administrative discharge boards; legal  
(See Continuation Page 2a)

Page 2a.

13. Employment  
record:

Attorney Advisor and then Deputy General Counsel, Washington, D.C.  
Arnold and Porter, Washington, D.C.: August 1967-July 1968,  
Associate.  
New Jersey Supreme Court Associate Justice Nathan L. Jacobs,  
Newark, NJ: August 1963-July 1964, Law Clerk.  
Pepper Hamilton and Scheetz, Philadelphia, PA: June-August 1962,  
Law Clerk.  
University of Pennsylvania School of Law: 1962, Part-time research  
assistant to Professor Jan Krasnowicki.  
Ocean City, NJ, Police Department: June-September of 1959, 1960,  
and 1961, Patrolman.  
South Jersey Auto Supply, Somers Point, NJ: January-May, 1960,  
Painter and deliveryman.

14. Military  
service:

adviser to base contracts office; and legal assistance to service-  
members and their dependents.

15. Government  
experience.

List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

None.

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16. Published  
writings:

List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

"The Cooperative Apartment in Moderate Income Housing,"

University of Pennsylvania Law Review (1963).

"Legal Issues in State Mental Health Care: Proposals for Change,"

published in the Mental Disability Law Reporter (American Bar

Association 1977-78).

\_\_\_\_\_

17. Political  
affiliations  
and activities.

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

Registered Democrat.

Provided services to Presidential election committees for

Alan Cranston (1984), Dukakis-Bentsen (1988), and

Clinton-Gore (1992).

\_\_\_\_\_

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved.

None.

\_\_\_\_\_

\_\_\_\_\_

## 18. Future

employment  
relationships:

- (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate.

Not applicable (currently employed only by the Department of Veterans Affairs).

- (b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

I have no such plans.

- (c) What commitments, if any, have been made to you for employment after you leave Federal service?

None.

- (d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

Not applicable.

- (e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election?

Yes.

## 19. Potential

conflicts  
of interest:

- (a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None.

- (b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated.

None.



- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated.

None.

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- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

None.

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- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

There are no potential conflicts

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20. Testifying  
before the  
Congress:

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

Yes.

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- (b) Do you agree to provide such information as is requested by such a committee?

Yes.

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United States

## Office of Government Ethics

1201 New York Avenue, NW., Suite 500

Washington, DC 20005-3917

April 30, 1993

The Honorable John D. Rockefeller IV  
Chairman  
Committee on Veterans' Affairs  
United States Senate  
Washington, DC 20510-6375

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Edward P. Scott, who has been nominated by President Clinton for the position of Assistant Secretary for Congressional Affairs at the Department of Veterans Affairs.

We have reviewed the report and have obtained advice from the Department of Veterans Affairs concerning any possible conflict in light of the Department's functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Scott is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

*Stephen D. Potts*  
Stephen D. Potts <sup>DEC</sup>  
Director

Enclosure

Responses of  
Edward P. Scott  
Assistant Secretary of Veterans Affairs-designate  
(Congressional Affairs)  
to Pre-Confirmation Hearing Questions  
from Senator John D. Rockefeller IV  
Chairman, Committee on Veterans' Affairs

Question 1.A. Please describe your concept of the nature and extent of the Federal Government's obligations to the Nation's veterans and their dependents and survivors. In your response, please identify any specific groups within the veteran population that you believe are owed special obligations.

Answer. Our nation acknowledges having very special obligations to the many tens of millions of Americans whose military service and great sacrifices have kept our nation safe and secure in a century filled with major wars, other armed conflicts, and very dangerous international tensions.

My own basic concept of the Federal Government's obligations to those who served and their families is that, first and foremost, the Nation must respond to deaths and disabilities incurred in service. This requires programs to provide compensation for deaths and disabilities and comprehensive health-care care and rehabilitation services and assistance for service-related disabilities. I also believe that meeting our obligations includes the conduct of medical and rehabilitation research into the types of disabilities that are often associated with combat or other aspects of military service.

Other high-priority obligations include assistance, in the form of educational benefits or various employment-related services, in helping veterans make the transition from military service to civilian employment. This is especially important when we are demobilizing or reducing our defense forces to the extent that those who might have made a career of military service are forced out.

Special obligations are also owed to those who were given inducements, such as educational benefits, to enter the service. The Federal Government must meet these kinds of commitments.

Page 2.

I also believe that the nation properly feels special obligations to those who answered the call in time of war to provide them, where necessary, with the means necessary to obtain basic health-care services and to avoid destitution.

On another level, I believe the Federal Government owes those who have worn the uniform special honor and respect for the shield they have provided for our free and democratic society. Furnishing effective and responsive services and assistance is one way to honor those who have protected the nation. But, other, less tangible forms of recognition are also important and greatly appreciated. These cover a wide spectrum, including burial benefits, memorials and national observances and, in my mind, reach their highest expression in efforts to achieve world peace. Those who have seen the horrors of war would be most honored by the knowledge that future generations would not face major conflagrations and that their service had contributed to the achievement of that goal.

Question 1.B. As a general matter, how well do you believe the government and, more specifically, the Department of Veterans Affairs, is meeting those obligations?

Answer. I believe that the government and VA do a good job in meeting the national obligations to furnish benefits and services. In my opinion, the approximately 250,000 individuals employed by the VA are highly dedicated and well qualified to carry out their responsibilities to veterans and their families.

However, I believe that there are areas in which substantial improvements are needed at this point. We failed for several years to place a sufficient priority on the mental-health-care needs of those who are suffering from post-traumatic stress disorder as a result of their service. Also, veterans have to wait too long for action on their claims for compensation, pension, education and vocational rehabilitation. In addition, I believe we must do a better job of responding to the needs of minority veterans and women veterans. This includes both program design and outreach. I am especially concerned about the need to expand and improve services for and outreach to women veterans who were the victims of sexual violence during their service. Finally, I think VA needs to increase its capacity to provide rehabilitation services for blinded veterans.

I look forward to helping Secretary Brown and others in the VA work on these and other important needs.

Question 2. With regard to the position of Assistant Secretary for Congressional Affairs, please describe:

Page 3.

A. What your major responsibilities will be, if confirmed.

Answer.

If confirmed, I expect to serve as the principal adviser to Secretary Brown and Deputy Secretary Guber concerning all legislative and congressional relations issues. I also expect to serve as an adviser and consultant to the Secretary and Deputy on the formulation of broad Department policies and on the implementation of various VA programs enacted by Congress or mandated by the President. Finally, I would have overall responsibility for managing and directing VA's legislative affairs and congressional liaison activities. I view the mission and function of these two programs as complementary and equally crucial to assuring that VA is effectively and efficiently represented in its dealings with Congress.

Question 2.B. Your access to the Secretary, Deputy Secretary, and other key members of the Department's management team.

Answer. If confirmed, I will have direct access to each of them.

Question 2.C. What role, if any, that you anticipate playing in the formulation and implementation of Department policies and plans -- for example, on VA's role in national health reform.

Answer. The Office of Congressional Affairs (OCA) is, and will continue to be, included in the concurrence process on all legislative proposals. Beyond that, I anticipate having the opportunity to participate in the formulation of major departmental policies, including legislative proposals.

With respect to implementation, I believe the most appropriate OCA role would be to provide a centralized monitoring system in order to advise the Secretary regarding the status of actions to carry out new laws.

Question 2.D. What role you anticipate the Office of Congressional Affairs will play in the development of VA's legislative program and specific legislative proposals.

Answer. I believe OCA will be a full participant in the development of VA's legislative program and specific legislative proposals. As I indicated in response to question 2.C., above, OCA is included in the concurrence process. In addition, OCA has the opportunity to recommend legislative proposals.

Page 4.

Question 2. E. The relationship you and your office will have with other elements within the Department, such as the Veterans Benefits Administration, the Veterans Health Administration, and the National Cemetery System, and any components of those elements that deal with Congress.

Answer. As the primary point of contact between Congress and the Department, OCA must have working relations with the Department's administrations, NCS, and staff offices. In fact, in carrying out this responsibility, OCA has daily interaction with each of them. Among the kinds of activities OCA carries out with those other VA elements are the coordination of preparations for congressional hearings; recommending VA witnesses; evaluating and editing testimony and helping in the preparation of briefing books; responding to pre- and post-hearing questions; and setting up briefings for VA program officials with members of Congress, congressional committees, and their staffs. Also, OCA staff are in daily contact with congressional offices and are thus able to communicate issues of congressional concern directly to VA program offices, as well as to the Secretary. In addition, OCA's House and Senate Liaison Offices are in daily contact with VBA regional offices and VA medical centers in working on constituent casework issues.

If confirmed as Assistant Secretary for Congressional Affairs, I will work to ensure that the working relationships between OCA and the Department's administrations and staff offices continue and, where necessary, improve.

Regarding the reference to components of other VA elements that deal with Congress, it is my understanding that elements such as VBA and VHA do not have units that conduct congressional relations in place of OCA. Rather, in the case of VHA, for example, the Communications and Legislative Programs Office (CLPO) serves as a focal point within VHA for legislative and other congressional issues. However, when it comes to dealing with the Congress, CLPO does that through OCA.

Question 2. F. The relationship you and your office will have with the congressional affairs office in the White House on matters relating to VA.

Answer. In essence, the relationships will be collaborative and directed toward achievement of the President's agenda. OCA maintains regular contact with the White House Office of Legislative Affairs (OLA), including weekly OLA meetings attended by all departmental offices of congressional and legislative affairs. OLA is available to provide assistance with respect to legislative and other congressional matters of interest to VA. OCA is expected to keep OLA apprised of all significant legislative developments relating to VA and to report promptly any congressional issues that are of more than departmental concern.

Page 5.

Question 3.A. Based on your many years of work on the Committee staff, I am certain you developed some views on the most effective and efficient ways in which the Committee and the Congress might work with VA. In this regard, please describe:

A. How you sought over the years to obtain information from the VA on a specific program or issue, with particular reference to the role of whatever office was designated to handle congressional liaison at any given time.

Answer. Throughout my service on the Committee staff, I generally relied on Professional Staff Members and Legislative Aides on the Committee staff to obtain information from VA. During my first 10 years or so on the staff, on occasions on which they needed direction, or when I sought the information myself, I would select whatever program officials I believed were best able to provide the information. Increasingly, however, we came to rely on OCA, although individual staff members who developed strong working relationships with particular VA program officials tended to seek needed information from those officials.

Question 3.B. Your views on the need for, or desirability of, employees from offices other than those with specific program responsibility sitting in, but not otherwise participating in, meetings with congressional staff.

Answer. For many meetings that are held between congressional staff and VA program officials, it can be useful to have other VA staff attending. For example, it is the responsibility of OCA staff to facilitate communication between VA program elements and congressional offices. In some cases, OCA staff at the meetings are a source of information on VA management or Administration positions and can provide policy insights that expand on information provided by program officials. In most cases, OCA takes the lead in ensuring that follow-up information requested by congressional staff is provided in a timely manner and adequately addresses the issues. In addition, I believe it is important for the Secretary and Deputy Secretary to be informed about the substance of discussions in congressional meetings, and OCA staff are proficient in summarizing these discussions for him. OCA provides a valuable function in keeping the Secretary and other top managers aware of issues of importance to the Congress.

At the same time, I do not believe that it is always essential to have a non-program staff attend congressional meetings. In these cases, I believe that program offices should report to top management on the substance of the meetings and ensure that necessary followup action is taken.



Page 6.

Question 3.C. The optimal way for information to be exchanged between VA and Congress, particularly with respect to Committees with primary oversight and authorizing jurisdiction. Please note specifically those situations in which you believe that information coming from a VA office should or must come through a congressional affairs official.

Answer. Congressional staff often contact VA program offices directly for information and receive timely responses. However, I believe that, as a rule, congressional staff would be better served by contacting OCA, which may be in a better position to track down information internally and, because OCA responds on a daily basis to congressional requests, may have the information readily available. OCA staff often have an awareness of other matters (such as a related political or policy issue) that may have an impact on the issue at hand and they can convey this in addition to the information that is available from the program office. Moreover, OCA staff are often aware of legislative initiatives related to the program area involved and can inform staff accordingly.

When two or more offices are providing information to a committee, it is useful for OCA to be the central point of contact. This will expedite the information exchange and help to ensure that the committee is getting consistent information in appropriate format from both sources. I also believe that OCA review of congressional correspondence can help Congress to ensure that the information being provided is complete and responsive.

Question 4. I am concerned that far too often, the view of those who do not work with VA on a regular basis is that the Department is not doing a good job in meeting the needs of veterans -- whether for health care or other benefits or services. While addressing that problem is in large measure a function of improved public relations, and thus not within the jurisdiction of the Office of Congressional Affairs, it is, at least in some part, a problem of how members of Congress, especially new members, view VA. Do you agree that this is a problem and, if so, what do you believe you could do, if confirmed, to address this problem in a proactive manner?

Answer. I believe that there are two major ways in which OCA could do more to address this problem. Both involve efforts to ensure that members have a balanced view of VA programs. First, OCA should increase its personal contacts with members and their staffs in order to learn about problems or negative perceptions that we might not know about otherwise and to become known as a source of information and assistance when difficulties arise. Second, OCA could more systematically arrange for congressional briefings, conducted by VA program officials, on VA benefits and services -- especially successful and new programs and efforts that are underway to remedy problem situations.

Page 7.

I intend to emphasize both approaches and to take the lead in these kind of congressional outreach activities.

Question 5.A. Please indicate the size of the overall staff that comes under the Assistant Secretary for Congressional Affairs, broken down by location (for example, at Central Office or elsewhere) and by position, grade level, and source of appointment.

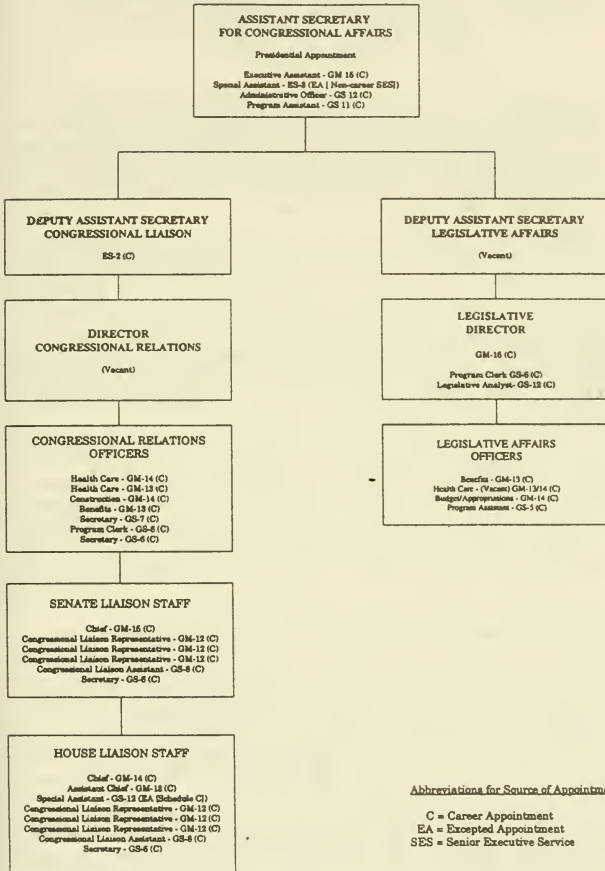
Answer. The attached table shows the current authorized positions in OCA. Please note that the position of Assistant Secretary is being filled on an acting basis by Deputy Assistant Secretary, Dennis Duffy and that the position of Deputy Assistant Secretary for Legislative Affairs is being filled on an acting basis by the Legislative Director, Nurit Erger.

Question 5.B. Please indicate whether you anticipate any reorganization of the Office of Congressional Affairs if you are confirmed and, if so, please describe your plans in that regard.

Answer. There is no specific plan for reorganization. However, the Acting Assistant Secretary, Dennis Duffy, after consulting with me, has arranged for the Management Decision and Research Center at the Boston VA Medical Center to carry out a needs assessment regarding the effectiveness of the present OCA organizational structure. At the conclusion of this assessment in June, MDRC will make recommendations for action.

If confirmed, I plan to use the results of the needs assessment in deciding what adjustments in the organization or its structure are necessary in order to improve OCA effectiveness.

**OFFICE OF ASSISTANT SECRETARY  
FOR  
CONGRESSIONAL AFFAIRS**



Abbreviations for Source of Appointment

C = Career Appointment  
EA = Excepted Appointment  
SES = Senior Executive Service

Response to  
Post-Confirmation Hearing Question  
Submitted to  
Edward P. Scott  
Assistant Secretary of Veterans Affairs-designate  
(Congressional Affairs)  
by  
Senator John D. Rockefeller IV  
Chairman, Committee on Veterans Affairs

Question. I was most excited to learn of your efforts for increased personal contacts with congressional offices and to more systematically arrange for congressional briefings. Both should go a long way to improving the view the Congress has of the Department and its programs. Please expand on these ideas and give an example of how this would take place in the context of some specific issue area.

Answer. With regard to increased personal contacts, what I have in mind is, first, for me to make as many initial visits as possible to authorizing committee and appropriations subcommittee members or their staffs and, second, to ensure that inordinate periods of time do not lapse with no Office of Congressional Affairs (OCA) contact with any relevant committee or committee member's offices. I believe that regular calls or visits are extremely important to open communications and that such contacts often result in helpful, substantive discussions and the sharing of useful information that otherwise would not take place.

Regarding congressional briefings, my plan is a simple one. It is to ask the OCA staff, together with me, to be alert to significant problems, or challenges, and other matters of interest to members of Congress and Congressional committees and, as appropriate, ask VA program staff to give presentations on Capitol Hill on those matters and relevant VA activities or plans to deal with them. The goal would be to try affirmatively to ensure that the Congress has available to it accurate, timely, balanced information on important issues.

One example would be VA's plans for any major computer acquisitions. Once the Department has made the major decisions necessary to proceed with a large procurement, I believe it would be advisable for OCA to arrange for the key responsible officials to provide a congressional briefing or briefings so that Congress would have an understanding of the plan and the thinking behind it. Other examples might include briefings on VA's national health care plan when it is developed; VA's efforts to respond to the needs of specific categories of veterans such as homeless veterans, Persian Gulf veterans, and women veterans; and any major administrative initiatives to improve claims adjudication.

With respect to the issue of VA's congressional relations in general, I am asking the OCA staff to give me a wide range of suggestions for steps that VA could take to improve its relations with the Congress. I would, of course, be delighted to have recommendations from you and others on the Veterans' Affairs Committee and your staffs.

PREPARED STATEMENT OF  
STATEMENT OF CHAIRMAN JOHN D. ROCKEFELLER IV  
JULY 1, 1993

At the outset, I note for those of you who may be here for the Committee's markup that had been scheduled for this morning, that has been rescheduled for July 15 at 2:30. We will go directly to the Committee hearing to consider the nomination of Dr. Victor Raymond to be Assistant Secretary for Policy and Planning.

Vic, it is truly a great pleasure to have you here today. You have been in this room many, many times before in your prior lives—as a staff member of this Committee when Al Simpson was Chairman, as a House Committee staff member for many meetings and negotiation sessions, and in many meetings as a VA employee. Still, I'm sure that appearing here for your confirmation is a very new experience.

I am enormously pleased that you are here today and deeply regret the delay in your nomination actually coming forward. However, that is history and the point of today is to look to the future.

I congratulate you on your nomination. I think the job you have been nominated for, and which you have been filling on an acting basis for some months now—the Assistant Secretary for Policy and Planning—is terribly important in so many different ways. As you know, I have a very strong interest in the role you and your office will play in health care reform. I am also very interested in the many other exciting areas that the office works on, which I'll explore in more detail in questions after your statement.

In reviewing your background, I was struck by how your various experiences have prepared you so well for this key position.

Your work here in the Congress—which I note is both bipartisan and bicameral, surely an unusual combination—gives you a fine grounding in understanding the art of give and take that is so important to getting things done here.

Your stint with the Mission Commission was obviously a key opportunity to further your work on health matters.

And certainly your graduate training in operations research, which relies so heavily on the importance of quantitative information, will be invaluable in this role. As I explored further back in your life experiences, however, I came upon what seems to be a very key learning experience with relevance to this new position, namely, your time as a B-52 pilot.

As anyone who has ever watched one of those giants prepare to take off, the possibility that it will get off the ground always seems so remote. That is often the way new initiatives—like the President's health care reform initiative—are

viewed in this town. But B-52's do fly and the same is usually true here. So that should give you confidence as you tackle health care and other seemingly impossible new initiatives. It's also possible that the skills you developed in terms of high altitude, precision bombing might prove very useful in the weeks and months ahead!

Vic, you have a wonderful opportunity to serve the veterans of the Nation in your new office, assuming your confirmation, which I surely do.

President Clinton has shown great confidence in you, your work, and your commitment to veterans by nominating you to serve in this important position.

I look forward to a timely meeting of this Committee—July 15 is now the date for our next markup—to act on your nomination so as to allow Jesse and Hershel to have the opportunity to have the benefit of your full participation on the team at the VA.

In closing, I note that you have completed the Committee Questionnaire for Presidential Nominees and responded to my pre-hearing questions, all of which will appear in the Record. Also included will be a letter from the Office of Government Ethics acknowledging that you are in compliance with laws and regulations governing conflicts of interest. I have reviewed the FBI report on you and find no bar to your confirmation.

I will insert in the record of today's hearing a statement in support of your nomination from my good friend and counterpart, House Chairman Sonny Montgomery.

Vic, I look forward to hearing your testimony and to working with you in the near future.

*Thurmond* REPORTER

STATEMENT BY SENATOR STROM THURMOND (R-SC) BEFORE THE SENATE VETERANS' AFFAIRS COMMITTEE HEARING ON THE NOMINATION OF MR. VICTOR P. RAYMOND TO BE ASSISTANT SECRETARY FOR POLICY AND PLANNING. 418 RUSSELL SENATE OFFICE BUILDING, THURSDAY, JULY 1, 1993, 10:00 A.M.

MR. CHAIRMAN:

It is a pleasure to be here this morning. I join the Chairman and the members of the Veterans' Affairs Committee in extending a warm welcome to the nominee, Mr. Raymond, as well as to his family, friends and guests who may be accompanying him. I am pleased that the President has nominated a person of experience and ability for the position of Assistant Secretary for Policy and Planning at the Department of Veterans' Affairs.

Mr. Chairman, this nominee appears well qualified for the position to which he has been nominated. He has a strong connection with the Veterans he will serve. Mr. Raymond served as an Air Force Officer with Vietnam combat experience as a B-52 pilot. He also served most ably on the staff of this Committee, as well as the U.S. House of Representatives Committee on Veterans' Affairs where he was Staff Director of its Subcommittee on Hospitals and Health Care. Mr. Raymond has significant education and experience in policy and planning. He holds a doctorate degree in operations research and has years of experience in policy analysis, particularly as related to health care issues. Finally, Mr. Raymond has substantial experience in the Department of Veterans Affairs where he now serves as an Acting Assistant Secretary. I believe he will serve as well in the future as he has in the past.

Thank you Mr. Chairman. I look forward to reviewing the testimony presented by the nominee.

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END



# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name Raymond Victor P.  
(LAST) (FIRST) (OTHER)
2. Present address: 5100 Macomb Street, N.W., Washington, DC 20016  
(CITY) (STATE) (ZIP CODE)
3. Position to which Assistant Secretary 4. Date of  
nominated: for Policy and Planning nomination: June 7, 1993
5. Date of birth: 17 May 1947 6. Place of birth: Pueblo, Colorado  
(DAY) (MONTH) (YEAR)
7. Marital status: divorced 8. Full name of spouse: (former) Sylvia Evelyn Johnston
9. Names and ages  
of children: None
10. Education:
- | Institution<br>(including city and State)   | Dates<br>attended | Degrees<br>received                                    | Dates of<br>degrees |
|---|-------------------|--|---------------------|
| <u>School of Hygiene and<br/>Public Health<br/>Johns Hopkins Univ.<br/>Baltimore, MD.</u> | <u>8/76-5/86</u>  | <u>Doctor of<br/>Science<br/>(Operations Research)</u> | <u>1986</u>         |
| <u>George Washington Univ.<br/>Washington, D.C.</u>                                       | <u>9/75-6/76</u>  | <u>9 hours of Political Science</u>                    |                     |
| <u>University of Missouri<br/>Columbia, Mo</u>  | <u>9/66-6/69</u>  | <u>AB (Economics)</u>                                  | <u>1969</u>         |
| <u>St. Olaf College<br/>Northfield, MN</u>  | <u>9/65-6/66</u>  | <u>35 hours</u>  |                     |
|   |                   |  |                     |
|   |                   |  |                     |
11. Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
- National Institute of Mental Health Grant for Graduate Study  
(tuition plus stipend), 1976-1978
- Regular Officer Commission, US Air Force, 1969
- Distinguished Military Graduate, 1969
- Vice-Commandant's Award, Air Force Reserve Officers Training Corps, 1968

12. Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant

Organization	Office held (if any)	Dates
<u>St. John's Episcopal Church, Lafayette Square, Washington, DC</u>		
<u>The University Club, Washington, DC</u>		
<u>The Johns Hopkins University Club</u>		
<u>The Johns Hopkins University Alumni Association</u>		
<u>American Public Health Association</u>		
<u>Operations Research Society of America</u>		
<u>Evaluation Research Society of America</u>		
<u>See attached list</u>		

13. Employment record:

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

<u>1/93-Present</u>	<u>Acting Assistant Secretary for Policy and Planning Veterans Affairs, Washinton DC</u>
<u>11/92-Present</u>	<u>Deputy Asst Secretary for Policy, Veterans Affairs Washington, DC</u>
<u>10/91-11/92</u>	<u>Associate Deputy Asst Secretary for Policy, Veterans Affairs, Washington, DC</u>
<u>9/90-9/91</u>	<u>(Detail) Deputy Director, Commission on Future of VA Health Care, Veterans Affairs, Washington, D</u>
<u>9/90-9/91</u>	<u>Associate Deputy Assistant Secretary for Congressional Affairs, Veterans Affairs, Washington, DC</u>
<u>See attached list</u>	

14. Military service: List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

<u>6/69-7/73</u>	<u>US Air Force</u>
	<u>Commissioned Regular 2nd Lieutenant</u>
	<u>Discharged as Captain</u>
	<u>Honorable Discharge</u>
<u>See attached list</u>	

VICTOR P. RAYMOND

## 12. MEMBERSHIPS:

<u>Organization</u>	<u>Office held</u>	<u>Dates</u>
(continued)		
Association of Health Care Administrators of the National Capitol Area		
Association for the Advancement of Science		
Senior Executives Association		
VA Chapter of Senior Executives Association		
Leadership VA Alumni Association		
Tilden Gardens Inc. Residential Cooperative	Member of Board of Directors (elected)	12/87-12/90
St. John's Church	Convener of Seminar- ian's Lay Advisory Committee	9/86-6/88
Northbrook Court Condo- miniums	Member, Board of Directors (elected)	1983-84

VICTOR P. RAYMOND

## 13. EMPLOYMENT RECORD:

(continued)

9/88-8/90	Staff Director, Subcomm. on Health Care, VA Committee, House of Representatives, U.S. Congress
3/85-8/88	Professional Staff Member, Subcomm. on Health Care, VA Committee, House of Representatives, U.S. Congress
1/85-3/85	Deputy Director, Congressional Affairs, Veterans Administration
9/82-12/84	Professional Staff Member, Committee on Veterans Affairs, Senate, U.S. Congress
5/82-9/82	Legislative Liaison and Operations Research Analyst, Nat'l Center for Health Services Research, Hyattsville, MD
10/78-4/82	Operations Research Analyst, National Center for Health Services Research, Hyattsville, MD
1977 (summer intern)	Medicaid investigator, Department of Health & Human Services, Office of Inspector General (Intern), Washington, DC
8/76-10/78	Student Fellowship, National Institute on Mental Health, Johns Hopkins, Baltimore, MD
10/73-1/76	Economist, Chevrolet Motors, GM Corporation, Chevy Chase, MD

## 14. MILITARY SERVICE:

(continued)

Permanent Duty Stations

6/69-6/70	Vance AFB, Oklahoma Pilot training student
6/70-6/73	K.I. Sawyer AFB, Michigan Pilot and officer, B-52H aircraft Deputy Chief of Operations/Ground Training

Temporary Assignments

U TAPAO, Thailand  
Anderson AFB, Guam

Crew member and flight planner for B-52 missions in Southeast Asia

15. Government experience: List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

None

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16. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

None

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17. Political affiliations and activities: (a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

None

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- (b) List all elective public offices for which you have been a candidate and the month and year of each election involved.

None

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## 18 Future

employment  
relationships:

- (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate

Not applicable

- (b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

Not applicable

- (c) What commitments, if any, have been made to you for employment after you leave Federal service?

None

- (d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

Not applicable

- (e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election?

Yes

## 19. Potential

conflicts  
of interest:

- (a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

- (b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated.

None

- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated.

None

- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

None

- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

Not Applicable

20. Testifying  
before the  
Congress:

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

Yes

- (b) Do you agree to provide such information as is requested by such a committee?

Yes





United States  
**Office of Government Ethics**  
 1201 New York Avenue, NW., Suite 500  
 Washington, DC 20005-3917

June 14, 1993

The Honorable John D. Rockefeller IV  
 Chairman  
 Committee on Veterans Affairs  
 United States Senate  
 Washington, DC 20510-6375

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Victor P. Raymond, who has been nominated by President Clinton for the position of Assistant Secretary for Policy and Planning at the Department of Veterans Affairs.

We have reviewed the report and have also obtained advice from the Department of Veterans Affairs concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Raymond is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

*Stephen D. Potts*  
 w/c

Stephen D. Potts  
 Director

Enclosure

PREHEARING QUESTIONS FOR  
ASSISTANT SECRETARY FOR POLICY AND PLANNING-DESIGNATE  
VICTOR P. RAYMOND

1. Please describe what you understand your major responsibilities will be in formulating and implementing VA policies and plans.

The Office of the Assistant Secretary for Policy and Planning was established in May 1991. At that time, the Secretary and Deputy Secretary asked the office to build upon VA's Strategic Management Process with particular responsibility for policy development and analysis, and for strategic planning. Their intent, however, was not for the office to develop policies and plans as an independent staff function but instead to act as a facilitator and coordinator of this development across the Department.

To accomplish that intent, if confirmed, my major responsibilities would be to support the Secretary and all of the Department's leadership in identifying and defining the Department's priority policy goals and issues for improvement in the delivery of VA benefits and services; to help integrate the Department's policy, planning, budget and legislative processes; and to conduct or facilitate policy, planning, and statistical studies and analyses about VA programs. With specific regard to this last responsibility, the Office is responsible for providing objective analytical and statistical information through the newly established National Center for Veteran Analysis and Statistics for all organizations to use in policy, planning, and management activities. The Office also has Department-wide responsibilities to promote total quality improvement and to furnish management analysis support.

I expect that the Office will continue to be active in supporting the Secretary in his role as a member of the President's Domestic Policy Council by coordinating the Department's participation and contributions to major interagency policy issues and activities.

2. If confirmed, what would be your primary goals and the direction of your major efforts during the balance of the fiscal year 1993 and in fiscal year 1994?

If confirmed, my fundamental goal would be to support the Secretary in his goal of bringing the various components of the VA into a unified Department. I would focus on three priorities to do this. First, I would assist in integrating the Department's planning, legislative, budget, and policy-making activities in order to support achievement of his future vision for the VA. These functions must be internally consistent, I believe, if the Department is to fulfill its statutory missions and to make the most effective contribution to veteran and national needs. Second, I would work to provide the Secretary with policy and planning assistance to ensure that the Department continues to be a full player in National Health Care Reform efforts. I would hope that such efforts would enable the VA both to provide health services to veterans and also to contribute knowledge to non-VA providers about VA's experience in operating a large national health care delivery system. Third, I would work to ensure the success of the recently established National Center for Veteran Analysis and Statistics in developing capabilities to provide key information and analysis for decisionmaking and policy determination.

3. Please describe the budget allocation for your office during the current fiscal year and the allocation proposed for fiscal year 1994 to carry out your responsibilities and your goals, broken down into appropriate categories, such as staffing, administration, and travel.

I am including a chart summarizing the budget allocation for fiscal year 1993. I am also including a chart summarizing the budget request for fiscal year 1994, as the Department's appropriation has not been enacted.

The total allocation for fiscal year 1993 is \$6,185,000 and 76 FTE. This amount includes \$5,273,000 for personal services, \$75,000 for travel and \$837,000 for other services. Other services are such requirements as supplies, printing, and equipment. The request for fiscal year 1994 totals \$6,248,000. Of this amount, \$5,423,000 is for personal services, \$90,000 for travel, and \$735,000 for other services.

## Question 3 Attachment 1

OFFICE OF POLICY AND PLANNING  
FY 1993 BUDGET

	Assistant Secretary	DAS for Policy	DAS for Planning	National Center	Total
Personal Services	\$593,000	\$1,370,000	\$2,370,000	\$940,000	\$5,273,000
(FTEE)	(7)	(21)	(35)	(13)	(78)
Employee Travel	\$28,000	\$16,000	\$15,000	\$18,000	\$75,000
Rent, Comm. & Utilities	\$2,000	...	...	...	\$2,000
Printing and Reproduction	\$6,000	...	\$5,000	\$104,000	\$115,000
Employee Training	\$15,000	\$18,000	\$27,500	\$27,000	\$87,500
Contractual Services	\$56,000	\$800	\$77,200	\$375,000	\$509,000
Supplies	\$10,000	\$5,000	\$9,500	\$11,000	\$35,500
Equipment	\$40,000	\$10,000	\$16,000	\$22,000	\$88,000
Total	\$748,000	\$1,419,800	\$2,520,200	\$1,497,000	\$6,185,000

Note: Personal Services and FTEE reflect reorganization of the Office effective April 4, 1993.

## Question 3 Attachment 2

OFFICE OF POLICY AND PLANNING  
FY 1994 BUDGET

	Assistant Secretary	DAS for Policy	DAS for Planning	National Center	Total
Personal Services	\$487,000	\$1,432,000	\$1,644,000	\$1,860,000	\$5,423,000
(FTEE)	(7)	(20)	(22)	(26)	(75)
Employee Travel	\$26,000	\$18,000	\$25,000	\$21,000	\$90,000
Transportation of Things	\$10,000	...	...	...	\$10,000
Printing and Reproduction	\$6,000	...	\$5,000	\$114,000	\$125,000
Employee Training	\$17,000	\$20,000	\$22,000	\$26,000	\$85,000
Contractual Services	\$50,000	\$1,000	\$2,000	\$353,000	\$406,000
Supplies	\$16,000	\$15,000	\$15,000	\$18,000	\$64,000
Equipment	\$2,000	\$13,000	\$15,000	\$15,000	\$45,000
Total	\$614,000	\$1,499,000	\$1,728,000	\$2,407,000	\$6,248,000

4. Please describe the number, composition, and assigned responsibilities of all personnel serving in the Policy and Planning Office and indicate whether you anticipate significant reorganization of the Office with regard to size and structure.

The Office is comprised of three major elements, two headed by Deputy Assistant Secretaries and one headed by a Senior Executive director. The Deputy Assistant Secretary for Policy oversees a staff of 21 FTEE. Policy is divided into two services: Health Policy and Benefits/Management. The Deputy Assistant Secretary for Planning, David Burge, is a long-time career employee who heads a staff of 22 FTEE. Planning is divided into two services: Strategic Planning and Quality Improvement. The newest organization, the National Center for Veteran Analysis and Statistics, is headed by Conrad Hoffman, an experienced senior careerist. The Center was established this year within existing resources and consists of 27 FTEE. The Center is comprised of the Analysis and Statistics Service and the Reports and Information Service. Outside of these elements are 6 FTEE with general administrative and advisory responsibilities. I would anticipate that staff associated with the Chief Minority Affairs Officer would also be independent of the three main structural elements. (The FTEE numbers are based on fiscal year 1994.)

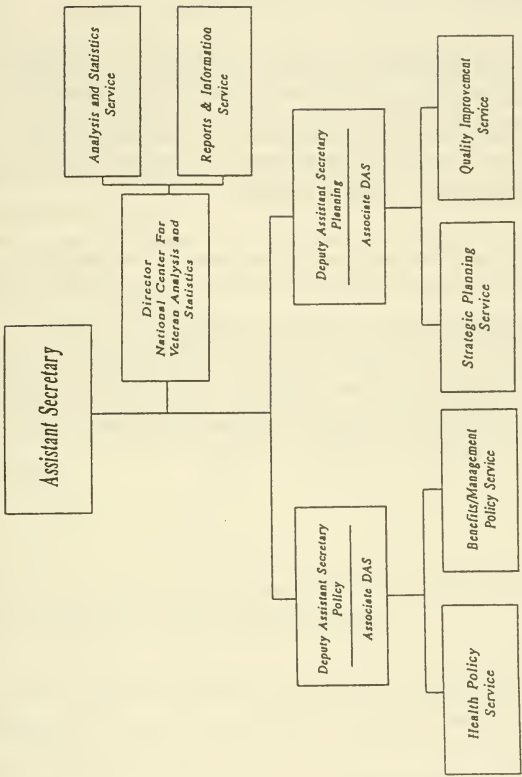
Most of the staff members of the Office are individuals with multidisciplinary skills and advanced degrees. The primary responsibility of the Office is to produce analyses related to the full range of programs and activities of the Department and the broad societal issues which the Department must consider. Many of the staff are long time VA or other federal employees and the Office has also been able to attract highly-capable staff members who are new to the federal sector. Since my arrival in

the Office, I have been very impressed with the high level of skills which the staff members maintain and continually increase. Their dedication to professional behavior and superior products is a definite source of strength for the Department and they are stimulating, creative individuals whom I am proud to have represent the Department.

I would not anticipate any significant reorganization of the Office with regard to size, if confirmed. As noted in my response to question 9, however, the Office has been recently assigned responsibility as the Department's Chief Minority Affairs Officer. When an organizational structure is developed for that function, there may be some adjustment.

I have attached an organization chart of the office.

OFFICE OF POLICY AND PLANNING



5. Please describe the relationship you anticipate that you and your office will have with other components of the Department, especially the Veterans Benefits Administration and the Veterans Health Administration.

There are both formal and informal aspects to the relationship I would expect. First, policy and planning activities will require official reports and analyses that may be collaboratively or independently completed for inclusion in Departmental documents. Second, there will be informal conversations, negotiations and working groups to supplement the more formal interactions.

I very much look forward to continued cordial, cooperative, and productive relationships with other components of the Department. As I described in my response to the first question, the Office of Policy exists to facilitate policy development and planning in VHA and VBA and to help foster a unified Department. The success of the Office in working with many other components to develop options for eligibility reform and to participate in the President's Health Reform Task Force are good examples of how I envision the cooperative relationship.



6. Please describe how you will obtain information about VA programs.

Much of the statistical information related to VA programs and eligible veterans reside in the Office of Policy and Planning. An important part of the function of the newly established National Center for Veteran Analysis and Statistics will be to supplement that information where needed, through coordination and conduct of formal studies, surveys, and research projects; development of forecasts and models to support analyses of alternative policy and planning scenarios; and creation and maintenance of a clearinghouse and repository for key veteran data which can be used by VA, other federal, state and local government agencies, veterans service organizations and other interested groups.

Where there is a gap in needed information or knowledge in our policy and planning roles, I understand that the Office has authority to request information from other components of the Department to meet analytic needs of the Office of the Secretary. Here again, I anticipate a cordial, cooperative relationship with other parts of the Department.

7. What, if any, policy and planning responsibilities will you have with regard to VA's overall Information Resource Management program?

The Office of Policy and Planning is responsible for ensuring that the IRM planning process is integrated into the Department's strategic management process. As with other areas, this is accomplished by active inclusion of IRM staff in all Department level strategic planning activities. The Paperwork Reduction Act (as amended) and the Department of Veterans Affairs Act make the Chief Information Resources Officer (CIRO) responsible for Departmental IRM planning, coordination, and policy direction/oversight. The Assistant Secretary for Finance and Information Resources Management is designated as the Department's CIRO.

8. What, if any, responsibility will you have to evaluate VA programs under section 527 of title 38?

The Office of Policy and Planning has been assigned no responsibility in evaluating Department programs as prescribed by section 219 of title 38, United States Code. The conduct of such evaluations is delegated to operating components and would be included in Departmental strategic planning activities.

9. In light of the fact that the Secretary of Veterans Affairs recently designated the Assistant Secretary for Policy and Planning as the Department's Chief Minority Affairs Officer, please describe your plans for carrying out the responsibilities associated with that position, including any plans regarding increased staffing within your office.

Effective and quick implementation of the Chief Minority Affairs Officer function is a high priority of the Department. As Acting Assistant Secretary, I have already met with Congressional staff and representatives from minority and female veteran groups to obtain their views and expectations regarding implementation of the function. The Deputy Assistant Secretary for Planning and the Acting Deputy Assistant Secretary for Policy also were at that meeting and we are currently making final adjustments to a proposal for the Secretary's review and approval.

10. Please submit a summary of your work and what you consider to be your major accomplishments and disappointments as Associate Deputy Assistant Secretary for Policy.

My tenure in the Office of Policy was professionally rewarding and personally gratifying. I am proud of all the work that we completed as a new office, including analysis of alternative work schedules for VA employees, completion of a task force about the effects of Court of Veterans Appeals decisions on claims processing, substantial work toward understanding the historical and medical aspects of presumptions for service-connection, and the timely work regarding exposure to mustard gas. I am especially proud, however, of two major accomplishments: the development of the set of options for reforming VA health care eligibility and the methodological improvements that were made in the Survey of Veterans, a fundamental data source for future planning for VA programs. I think these are major because they are both successful solutions to complex and important issues and are examples of how diverse individuals from all over the Department can come together under the leadership of the Office.

The development of eligibility reform options came through the work of the Eligibility Reform Task Force which was comprised of VA staff from many components of the Department. Under the leadership and management of the Office of Policy, individuals from over a dozen different VA offices reached agreement on fundamental assumptions about data and methodologies involved in the complexities of health care delivery. This agreement enabled decision makers to concentrate on the policy implications of eligibility options rather than decide among conflicting workload and cost estimates.

The Survey of Veterans is a continually improving source of information that is important to all components of the VA. The limitations and incompatibilities between census projections, VA administrative files, and surveys of all veterans, VA users, and non-veterans was apparent this year in our policy analyses. As differences between the various systems of care are reduced under national health care reform, the need to integrate information from all these data sources will be even more critical in the future. This year, the Office of Policy worked closely with the Office of Planning to help modify the sampling design to increase the power to make more valid estimates on all veterans and VA users within one internally cohesive survey. Several questions in the survey were modified to allow comparisons with non-VA data sources. Even more importantly, it will be the first time that information from an extensive population-based personal interview with veterans will be matched and merged with elements from VA administrative data bases. These data bases include VA inpatient, outpatient, long-term care, and compensation and pension files. This will represent the strongest and most comprehensive VA data base which has ever been created for use by all planners, researchers, clinicians, and managers. The Survey of Veterans, moreover, can be used in conjunction with the new 1990 Census information and future population projections.

One disappointment has been the delay in making policy decisions concerning veteran eligibility for VA care. The advantages, however, of making these veteran eligibility decisions consistent with how VA can interface with the larger national health care reform goals and objectives are more important and I look forward to continuing to work to that end.

11. I know that you are already assisting Secretary Brown in the President's health care reform efforts in your capacity as Acting Assistant Secretary for Policy and Planning. The Secretary will continue to require considerable assistance in developing legislation concerning aspects of the President's national health care plan that pertain to the VA health care system and implementing such legislation, once it is enacted.

A. Please describe those aspects of your education and experience that prepare you to carry out these responsibilities.

I believe the educational experience most useful in preparing me for this opportunity was my doctoral work at The Johns Hopkins University School of Hygiene and Public Health. I earned a Doctor of Science in Operations Research in the Department of Health Policy and Management. Operations Research, a discipline in which quantitative approaches are applied to the study of organizations or systems, provides a quantitative basis for decisionmaking. This enables the selection of appropriate courses of action or appropriate strategies, taking into account organizational constraints and uncertainties. My study at Hopkins included the application of operations research at the clinical, institutional, and societal levels. I was required to demonstrate expertise in epidemiology, biostatistics, and health economics. In connection with the fellowship I received for graduate study, I concentrated in coursework related to mental health services in public health settings, although I completed coursework in other public health topics as well. My dissertation involved community-based mental health services. This educational experience helped prepare me for the range, complexity and interconnection of issues

involved in national health and the VA health care system.

I used this academic knowledge in applied research for the National Center for Health Services Research (now the Agency for Health Care Policy Research). This organization conducts and supports surveys, studies and other analytic tasks in many issues directly related to health reform activities such as graduate medical education and the mix of health professionals, comparison of utilization and costs of care between a wide variety of settings including the VA and the effects of different methods of cost sharing on use of health services.

I was able to put these academic and research experiences to good use as a staff member of the Committees on Veterans' Affairs of both the Senate and House of Representatives. As a staff member, I learned something of the way Members of Congress and their constituents address complex public issues and about legislative procedures. I also learned the importance of and techniques for applying scientific and research findings to legislative and oversight activities in ways that are useful in defining public policy issues and helpful in deciding among different approaches to solving public policy problems. Since my staff work was health related, my legislative staff experience is directly useful.

As Deputy Executive Director of the VA's Commission on the Future Structure of Veterans Health Care, I had the unique experience of working with a number of experienced and nationally respected health care managers in a comprehensive review of the way VA might operate in the future. Many issues that arise in thinking about the role of VA in a reformed national health care system were also considered by members of the Commission.

B. In your personal opinion, would it be feasible and desirable for VA to compete directly with other health plans for veteran enrollees?

In my personal opinion, it is both feasible and desirable. The four missions of the VA health care system – patient care, research, health professional education, and backup to DoD – along with its history of operating in a national environment give the VA most of the tools needed to be successful. I believe it is desirable for the VA to have an opportunity to demonstrate its skills and capabilities in an open way. It is equally desirable for the VA to have explicit incentives to change some of its characteristics which might be detrimental if we were placed in a purely competitive environment.

C. If VA is to compete directly with non-VA providers, it seems to me that VA personnel and facilities will need to become more customer-oriented. What roles, if any, could the Office of Policy and Planning plan in promoting those changes?

The Office is responsible for promoting quality management throughout the Department and in this capacity is working with the Veterans Health Administration, the Office of Human Resources and others to develop ideas and practices related to customer service.

D. Do you believe that current law governing entitlement to VA care is in need of reform? If so, what are the major factors that you believe should be considered in developing entitlement reform proposals?

There are many considerations in developing entitlement reform proposals. The following five seem to me to be fundamental.

First, distinctions between "entitlement" and "eligibility" for both statutory and budgetary purposes should be clarified.

Second is the commitment of our nation to care for veterans. Congress has used different ways to define that commitment in statute in terms of service-connection and income status, but the basis of commitment has remained throughout VA's history.

A third major factor is quality of care. As the practices of health care have changed and new techniques have developed over the years, there are situations where current laws may no longer be applicable. For example, there has been extraordinary progress in procedures that can more effectively and safely be provided in outpatient settings than in an inpatient setting and our governance should not inhibit the use of those advances.

Fourth, costs must necessarily be considered. In some cases current laws encourage care in more costly settings or do not promote early detection and treatment. One example is consideration of alternatives to long term institution-based care rather than home based care where appropriate for the veteran.

Last is the fundamental factor of predictability of access for the veteran and for the VA. Entitlement should bring peace of mind to veterans that when they need care, it will be available. It should bring the opportunity for the VA to plan its resource



distribution based on the anticipated needs of clearly defined population of veteran patients.

E. Regardless of the fate of VA entitlement reform, demand for VA long-term care services will increase significantly in the coming decades. In order to meet this demand, VA must develop more institutional and community-based long-term care programs. What efforts do you anticipate the Office of Policy and Planning will undertake to assist the Veterans Health Administration in achieving that goal?

I expect that the efforts will be oriented primarily to analytical work regarding the needs for and costs of various long term care programs. Working with VHA and other components of the Department, the Office has made an important first step that has also provided a contribution to non-VA long term planning. Rather than focusing on only past utilization of VA long term care services as a basis for projecting future VA use, the Office made projections based on all veterans' limitations associated with activities of daily living (limitations in bathing, dressing, feeding, etc.) and limitations associated with instrumental activities of daily living (cognitive problems involved with everyday tasks such as managing money, and using the telephone.). This method substantially reduces the influence of prior capacity constraints on utilization data and builds directly on the clinical assessment of multi-dimensional problems and need to be met by the VA health care system.

F. Over the years there has been much debate as to whether VA health care services should be funded through sources other than discretionary appropriations. Please describe your views regarding each of the following proposals.

- i. Authorizing VA to collect reimbursement from Medicare and Medicaid.

In general, my personal view is that veterans should be able to use their health care resources – personal, federal and private insurance – to choose care delivered in the VA. It seems reasonable to consider service-connected veterans and low income veterans as categories where the nation's commitment might be reflected in appropriated dollars; veterans not in these categories could then receive VA care paid for by other sources. These distinctions are clearly to be decided by the Congress.

ii. Authorizing VA to retain monies collected from third-party insurers beyond those necessary to administer the medical care cost recovery program.

The main limiting factor for veterans today who want VA care but who are not service-connected or low income is the money to pay for it. If the goal is to allow veterans to choose VA care – a notion which I support – then retention of third party collections would be required to offset the costs of care beyond the expenses of collections.

iii. Making VA medical care an entitlement rather than a discretionary program.

I think there are categories of veterans, specifically service-connected and low income, where entitlement rather than discretionary eligibility makes sense because of the nation's commitment to serve them and because it improves the predictability of access for veterans and for the Department. Entitlement also provides reliable access that is desired by all people and that is not provided by discretionary eligibility limited by resources. As I mentioned in my response to question 11 D, there is a great need for public discussion in detail about the implications of the distinctions between entitlement and eligibility in terms of both statute and federal budget scoring.



DEPARTMENT OF VETERANS AFFAIRS  
ASSISTANT SECRETARY FOR POLICY AND PLANNING  
WASHINGTON DC 20420

JUL 14 1973

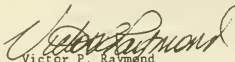
Honorable John D. Rockefeller IV  
Chairman  
Senate Committee on Veterans' Affairs  
Washington, D.C. 20510-6375

Dear Senator Rockefeller:

Enclosed is a list of VA participants on the White House Task Force on Health Care Reform that you requested during the hearing on my nomination to be Assistant Secretary of Veterans Affairs for Policy and Planning. The list is organized according to the substantive Clusters and Task Teams established by the White House.

If there is anything further that I may do for you or your Committee, please do not hesitate to ask.

Sincerely,

  
Victor P. Raymond  
Acting Assistant Secretary  
for Policy and Planning

Enclosure

VA PARTICIPANTS  
WHITE HOUSE TASK FORCE ON HEALTHCARE REFORM

CLUSTER I - NEW SYSTEM ORGANIZATION

- PATRICIA J. O'NEIL
- LEWIS MANTEL, MD
- SANDRA JONES, RN
- JIMMY CLAY

Task Team Representation:

1. Principles and Operation of Purchasing Cooperatives: O'Neil; Mantel
- 1A. Health Plans, Providers and Patients in the New System: Mantel; Jones
2. Special Issues in Purchasing Cooperatives Toward and Beyond: Mantel; Clay
3. Governance Issues: O'Neil
4. A Global Budget: Jones
5. Insurance Reform: Jones

CLUSTER II - NEW SYSTEM COVERAGE

- ROBERT ROSWELL, MD
- ELWOOD HEADLEY, MD
- THOMAS A. TRUJILLO

Task Team Representation:

6. Benefits Package: Roswell
7. Coverage for Working Families: Trujillo
8. Coverage for Low-Income and Non-Working Families: Headley

CLUSTER III - INFRASTRUCTURE - INTEGRATED HEALTH PLANS

- JOHN WILLIAMSON, MD
- GALEN BARBOUR, MD
- ELIZABETH SHORT, MD
- DANIEL MALONEY
- ROBERT M. KOLODNER, MD
- CHARLOTTE F. BEASON, RN, ED.D.
- LINDA O. NICHOLS, Ph.D.

Task Team Representation:

9. Quality Measurement: Williamson; Barbour
10. Information Systems: Kolodner; Maloney

11. Malpractice and Tort Reform: None
12. Facilitating Professional Development for a Healthcare System: Short; Beason; Nichols

#### CLUSTER IV - INTEGRATION OF HEALTH PROGRAMS INTO A NEW SYSTEM

- CYNTHIA ALPERT
- ARTHUR HAMERSCHLAG
- THOMAS HORVATH, MD
- ALLINE (GENIE) NORMAN
- KENDALL POSEY
- DONALD PRATT
- KAREN WALTERS

##### Task Team Representation:

13. Medicare: Pratt
14. DoD: Hamerschlag
15. Veterans: Walters; Norman; Alpert; Horvath
16. Federal Employees Health Benefits Program: Posey
- 16A. Other Government Health Programs

#### CLUSTER V - ETHICAL FOUNDATIONS OF THE NEW SYSTEM - None

17. Ethics: None

#### CLUSTER VI - TRANSITION TO THE NEW SYSTEM/SHORT TERM COST CONTAINMENT

- JOHN OGDEN
- LOUISE R. RODRIGUEZ

##### Task Team Representation:

18. Accelerating New System Development
19. Short Term Steps Toward Administrative Simplification
20. Interim Cost Containment

#### CLUSTER VII - FINANCING

- GERALD CHARLES, MD
- VICTOR RAYMOND, Sc.D.

21. Financing: Charles; Raymond

**CLUSTER VIII - HEALTH POLICY INITIATIVES FOR UNDERSERVED POPULATIONS**

- KENNETH LINK
- SUSAN MATHER, MD
- PAMELA STEELE, MD
- MARVELU R. (BOBBIE) PETERSON, RN, PhD

22. Underserved Populations: Link; Mather; Steele; Peterson

**CLUSTER IX - MENTAL HEALTH**

- LAURENT LEHMAN, MD
- THOMAS HORVATH, MD
- RICHARD SUCHINSKY, MD

**Task Team Representation:**

- 23. Benefit Package: Basic and/or Supplemental : Horvath; Lehman
- 24. Substance Abuse: Suchinsky; Lehman
- 25. Children Services: None
- 26. Public System Impact: Lehman, Horvath

**CLUSTER X - LONG TERM CARE**

- MARY ELIZABETH SMITH
- MARSHA GOODWIN, RN
- THOMAS YOSHIKAWA, MD

**Task Team Representation:**

- 27. Background: Smith
- 28. Public: Yoshikawa
- 29. Private: Goodwin
- 30. Cost and Revenue: Smith

**CLUSTER XI - ECONOMIC IMPACT - None**

31. Economic Impact: None

**CLUSTER XII - QUANTITATIVE ANALYSIS**

- GEORGE SHELDON, Ph.D.

32. Quantitative Analysis: Sheldon

**CLUSTER XIII - LEGAL AUDIT - None**

33. Legal: None

**CLUSTER XIV - NUMBERS AUDIT - None**

34. Numbers Audit: None

**CLUSTER XV - DRAFTING - None**

35. Drafting: None



DEPARTMENT OF VETERANS AFFAIRS  
ASSISTANT SECRETARY FOR POLICY AND PLANNING  
WASHINGTON DC 20420

JUL 14 1963

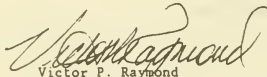
The Honorable Alan K. Simpson  
Committee on Veterans Affairs  
United States Senate  
Washington, D.C. 20510

Dear Senator Simpson:

Enclosed are answers to the two questions you asked following the hearing on my nomination to be Assistant Secretary of Veterans Affairs for Policy and Planning.

If there is anything further that I may do for you, please do not hesitate to ask.

Sincerely,

  
Victor P. Raymond  
Acting Assistant Secretary  
for Policy and Planning

Enclosure

cc: Senator John D. Rockefeller Jr.



## FOLLOWUP QUESTIONS FROM SENATOR ALAN K. SIMPSON

1. I noted with interest the response to the prehearing question regarding the need for the VA to compete with other health care plans for veteran enrollees under any national health care reform effort. In light of that response, how do you see veterans' health care reform initiatives fitting together with the larger health care reform plan being put together by Mrs. Clinton?

I believe that there is considerable overlap in the fundamental goals of these efforts. Veterans' health care reform initiatives include clarifying and simplifying eligibility of veterans for VA health services, defining the package of health benefits to be offered by the VA, ensuring the reality and perception of quality, and exploring alternatives in third party reimbursements for veterans who seek care. The White House has stated that the national plan is intended to assure access to health care for all Americans (clarifying eligibility), establishing a standard benefit package (defining a package of health benefits), assuring high quality of care and creating an equitable way to fund the plan. Thus, I see the VA's reform initiatives to be a distinct subset of the national reform initiatives and part of the solution to eliminating gaps and overlaps in health care coverage for veterans and other citizens. As mentioned in the prehearing questions, it may be that veterans along with other citizens will be given a choice of provider. In that case, the VA must be competitive in access, cost and quality.

2. In the Federal Page of yesterday's Washington Post, there was an article about a dispute between Secretary Jesse Brown and Congressman John Conyers, Jr., regarding a multimillion dollar computer (\$500 million) modernization contract the Department of VA approved in the final days of the Bush Administration. What are your views on this computer system?

I have not been intimately involved in the computer modernization project for claims processing in the Veterans Benefits Administration during the seven years of its development. In general, I agree that there is a need to investigate management practices along with the acquisition of modern computer technology to speed the processing of veterans' claims. I believe that agreements have been reached among all interested parties about how to proceed and will do whatever I can to support this complex and important effort.

## DEMOCRATS

G.V. (SONNY) MONTGOMERY MISSISSIPPI  
 DON EDWARDS CALIFORNIA  
 DOUGLAS APPLEGATE OHIO  
 LANE EVANS ILLINOIS  
 TIMOTHY J. PERRY MINNESOTA  
 J. ROY ROWLAND GEORGIA  
 JIM SLATTERY KANSAS  
 JOSEPH P. KENNEDY MASSACHUSETTS  
 GEORGE E. SANGMASTER ILLINOIS  
 JILL L. LONG INDIANA  
 CHET EDWARDS TEXAS  
 MAXINE WATERS CALIFORNIA  
 BOB CLEMENT TENNESSEE  
 BOB FILNER CALIFORNIA  
 FRANK TEJEDA TEXAS  
 LUIS V. GUTIERREZ ILLINOIS  
 SCOTTY BAESLER KENTUCKY  
 SANFORD BISHOP GEORGIA  
 JAMES E. CLYBURN SOUTH CAROLINA  
 MIKE KNEIDER WASHINGTON  
 CORRIE BROWN FLORIDA

MACC FLEMING  
 STAFF DIRECTOR AND CHIEF COUNSEL

## REPUBLICANS

BOB STUMP ARIZONA  
 CHRISTOPHER W. SMITH NEW JERSEY  
 GAN BURTON INDIANA  
 MICHAEL BILAKIS FLORIDA  
 THOMAS J. ROGE PENNSYLVANIA  
 FLOYD SPENCE SOUTH CAROLINA  
 TIM HUTCHINSON ARKANSAS  
 TERRY EVERETT ALABAMA  
 STEVE BUYER INDIANA  
 JACK QUINN NEW YORK  
 SPENCER BACHUS ALABAMA  
 JOHN LINDER GEORGIA

ONE HUNDRED THIRD CONGRESS

G.V. (SONNY) MONTGOMERY  
 CHAIRMAN

## U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

335 CANNON HOUSE OFFICE BUILDING

Washington, DC 20515

June 30, 1993

Hon. John D. Rockefeller IV  
 Chairman, Committee on Veterans Affairs  
 United States Senate  
 414 Russell Senate Office Building  
 Washington, DC 20510-6375

Dear Mr. Chairman:

Appearing before your committee on July 1 is an individual eminently qualified to help develop and set in motion this country's health care delivery agenda for the next century. In fact, as you well know, he has been deeply involved in this process for a number of years. I am pleased to endorse Vic Raymond for the position of VA Assistant Secretary for Policy and Planning.

Prior to assuming his current position as VA Acting Assistant Secretary and representative to the White House Health Care Task Force, Dr. Raymond was instrumental in carrying out the objectives of the Commission on the Future Structure of Veterans Health Care, a panel established by the Secretary of Veterans Affairs to set the course for the VA health care system as it responds to increased and changing demand. The Commission's esteemed chairman, Oliver Meadows, has cited Dr. Raymond's insight into health issues and his policy expertise as invaluable to the Commission's work, the product of which is the most important blueprint to date for making the VA more responsive to its constituency.

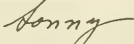
Dr. Raymond not only brings extensive Executive Branch experience and impressive academic credentials to this challenging position, he is well versed in and sensitive to the concerns of Capitol Hill. He has served as a professional staff member of both the Senate and House Veterans' Affairs Committees, and it is in this capacity that I know him best and from which my enthusiasm for his nomination springs.

During his more than five years with the House Subcommittee on Hospitals and Health Care, two years of which he served as its staff director, I came to wholly trust his advice and counsel and

witnessed nothing short of the highest level of professionalism and dedication expected of someone with so crucial a responsibility. He led the Committee through some of its most productive years in carrying out our legislative and oversight charge.

You will find no candidate more prepared nor more suited for the position for which he has been nominated than Vic Raymond.

Sincerely,



G.V. (SONNY) MONTGOMERY  
Chairman

# Association of Professors of Medicine

1101 Connecticut Avenue • Suite 500 • Washington, DC 20036 • Tel. 857-1158 • FAX (202) 223-4579 or (202) 223-4577

July 1, 1993

The Honorable Jay Rockefeller  
Chair  
Senate Veterans Affairs Committee  
414 Senate Russell Office Building  
Washington, DC 20510

Dear Senator Rockefeller:

I am writing on behalf of the Association of Professors of Medicine (APM) to support the nomination of Victor Raymond, Ph.D., as Assistant Secretary of Veterans Affairs for Policy and Planning. As the national organization of the chairs of departments of medicine at the 126 U.S. medical schools, APM members and the association's staff have worked closely with Dr. Raymond during much of his career in the legislative and executive branches of the U.S. government.

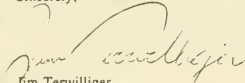
In particular, the APM membership was impressed by Dr. Raymond's professionalism during his tenure as Deputy Director of the Commission on the Future Structure of Veterans Health Care. In this capacity, as well as in other venues, Dr. Raymond has shown an abiding concern for the health of America's veterans. He has also displayed an impressive understanding of the nature of the VA health care delivery system, with its integration of clinical care, research, and education.

In addition, Dr. Raymond has a broad view of the VA health care system. Such vision will be important as the debate on reforming the U.S. health care delivery system unfolds, helping ensure that the most efficient use is made of the many resources within the VA health care enterprise. Above all else, Dr. Raymond has been, and will continue to be, a strong advocate for high quality health care for America's veterans.

These qualities make Dr. Raymond superbly qualified for the position of Assistant Secretary of Veterans Affairs for Policy and Planning.

Thank you for your consideration. If you have any questions about this letter or wish to discuss it, please call me at (202) 857-1158.

Sincerely,

  
Jim Terwilliger  
Executive Director

James P. Stobo, M.D.

John D. Stobo, M.D.

Arthur Rubenstein, M.D.

Daniel W. Foster, M.D.

Maurice Mulson, M.D.

Robert J. [illegible], M.D.

Jim Terwilliger

Opening Statement of Senator John D. Rockefeller IV  
Committee on Veterans' Affairs  
United States Senate

Hearing on Nominations for Various  
Positions in the Department of Veterans Affairs

We now begin the hearing portion of today's meeting.

It is a pleasure to be here today to consider two nominations: Eugene Brickhouse to be VA's Assistant Secretary for Human Resources and Administration, and Kathy Jurado to be VA's Assistant Secretary for Public and Intergovernmental Affairs. I congratulate you both on your nominations and welcome you to this hearing.

The two Assistant Secretary positions under consideration today are very important components of VA's senior management. Both nominees must rely heavily upon intelligence, motivation, and integrity to perform their responsibilities effectively and efficiently. I am pleased that President Clinton has selected such highly qualified and well-respected nominees to fill these positions.

Born in Tampa, Florida, Kathy Jurado received her undergraduate degree in Government and International Relations from the University of Notre Dame in 1982. She has experience in public affairs, both in the private and public sectors. She served as Press Secretary for the Florida Clinton-Gore 1992 Campaign and is presently the University of South Florida's Director of Government Relations.

A native of Exmore, Virginia, Eugene Brickhouse graduated from Virginia State University in 1962 and from the University of Texas in 1976 with a Master's degree in Management of Human Resources. He has a distinguished career in the Army, including extensive experience with human resource management and administrative matters. In addition, for the last 18 months, Eugene has served as a Professional Staff Member on the staff of the House Committee on Veterans' Affairs. He has been a valuable resource on Capitol Hill for everyone dedicated to veterans' issues.

Eugene, I have a letter of recommendation written by a friend of yours -- and of mine -- that was sent to the Committee on your behalf. It is from no other than the Chairman of the House Committee on Veterans' Affairs, Sonny Montgomery.

Eugene and Kathy, by nominating you to these positions, President Clinton has shown great confidence in your work and appreciation for your commitment to veterans. I share in this confidence, and I am pleased that VA will benefit from the expertise you both bring with you.

I note that each of the nominees has completed the Committee's questionnaire for Presidential nominees and responded to my pre-hearing questions, all of which will appear in the record. Also included will be a letter from the Office of Government Ethics acknowledging that each nominee is in compliance with laws and regulations governing conflicts of interest. Finally, I note that I have reviewed the FBI report on each nominee and have found no bar to confirmation in either case.

I fully expect to support both nominations.

*SEN. GRAHAM*

NOMINATION OF KATHY JURADO TO BE  
ASSISTANT SECRETARY OF VETERANS AFFAIRS  
FOR PUBLIC AND INTERGOVERNMENTAL AFFAIRS

October 28, 1993

Mr. Chairman, I am pleased today to introduce Kathy Jurado, a native Floridian from Tampa, as the nominee for Assistant Secretary of Veterans Affairs for Public and Intergovernmental Affairs. I would also like to take this opportunity to welcome her parents, Jaime (HI-may) and Teresa Jurado, who are attending today's hearing.

Ms. Jurado has had a wide and impressive array of experience in dealing with governmental relations and public affairs at all levels. In her current position, as the Director of Governmental Relations at the University of South Florida in Tampa, she is responsible for the state and federal government relations for the second largest university in the Florida State University System, with an enrollment of over 34,000 students. From 1990 to 1992, following almost a year of work on the Campaign Staff and Transition Team in the successful campaign of Governor Lawton Chiles of Florida, Ms. Jurado became Director of Public Affairs for the Florida Democratic Party.

If confirmed as Assistant Secretary for Public and Intergovernmental Affairs, Ms. Jurado will have a daunting task

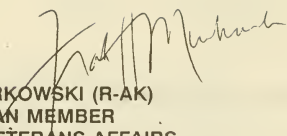
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ahead of her. National health care reform presents VA with a tremendous challenge, and she will be responsible for educating our nation's veterans about their health care options as they evaluate the plans offered by VA and others.

VA must be proactive in addressing veterans' concerns and communicating its changing role under health care reform. I am confident that Ms. Jurado has the knowledge, experience and talent to handle this important job and to successfully fulfill the other duties of Assistant Secretary.

I congratulate Ms. Jurado on her nomination and look forward to working with her in her new capacity as Assistant Secretary of Veterans Affairs.





SENATOR FRANK H. MURKOWSKI (R-AK)  
RANKING REPUBLICAN MEMBER  
SENATE COMMITTEE ON VETERANS AFFAIRS

HEARING ON  
DEPARTMENT OF VETERANS AFFAIRS NOMINATIONS

OCTOBER 28, 1993

Good afternoon, Mr. Chairman. It is a pleasure to be here today to consider the nomination of two outstanding candidates for appointment to positions at the VA.

As we consider these nominations, it might be appropriate to note that this hearing is quite timely -- coming, as it does, one day after the President and Mrs. Clinton delivered their health care reform proposal to the Hill. The duties that these nominees will assume will be crucial to VA's success in the competitive new world in which VA will be asked to operate in the future.

As you know, Mr. Chairman, the President expects VA to compete for patients in the future. VA's ability to attract patients into its system -- especially patients who have employer-sponsored

health care plans which VA can tap as a source of new revenues -- will determine, to a great extent, the form that VA takes in the years ahead. Some say it will even determine whether VA -- at least the VA, as we know it today -- survives. If VA is to attract patients, it will need to recruit quality people to provide quality care, and it will need to market itself -- that is, get the message out to the public that it provides quality care. These nominees, if confirmed, will be charged with these recruitment and marketing missions.

Based on what I know so far, I believe these nominees are equipped to fulfill these roles. Ms. Jurado has a diverse and impressive public affairs background. Mr. Brickhouse's long and distinguished record in health care management as a career Army officer speaks for itself.

I look forward to hearing the nominees' statements.

*Thurmond*  
REPORTER

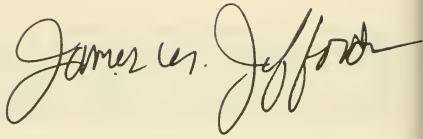
STATEMENT BY SENATOR STROM THURMOND (R-SC) BEFORE THE SENATE VETERANS' AFFAIRS COMMITTEE HEARING ON THE NOMINATION OF MR. EUGENE A. BRICKHOUSE AS ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION, AND MS. KATHY ELENA JURADO AS ASSISTANT SECRETARY FOR PUBLIC AND INTERGOVERNMENTAL AFFAIRS; 418 RUSSELL SENATE OFFICE BUILDING, THURSDAY, OCTOBER 28, 1993, 2:30 P.M.

MR. CHAIRMAN:

It is a pleasure to be here this afternoon. I join you and the members of the Veterans' Affairs Committee in extending a warm welcome to the nominees, Mr. Brickhouse and Ms. Jurado as well as to their families, friends and guests who may be accompanying them. I am pleased that the President has nominated persons of experience and ability for the position of Assistant Secretary for Human Resources and Administration and Assistant Secretary for Public and Intergovernmental Affairs at the Department of Veterans' Affairs.

Mr. Chairman, both nominees appear well qualified for the position to which they have been nominated. Mr. Brickhouse served as an Army Officer with a variety of assignments in human resource management, retiring with the rank of Colonel. In addition, he served as a Professional Staff Member with the U.S. House of Representatives Committee on Veterans' Affairs. He holds a Masters degree in Human Resources and has years of experience in these issues. I believe he will serve the Veterans of our Nation as well in the future as he has in the past. Ms. Jurado likewise has the education and experience for the position to which she has been nominated.

Thank you Mr. Chairman. I look forward to reviewing the testimony presented by the nominees.



STATEMENT BY SENATOR JAMES M. JEFFORDS  
SENATE VETERANS AFFAIRS COMMITTEE  
HEARING ON NOMINATIONS OF EUGENE BRICKHOUSE AND KATHY JURADO  
OCTOBER 28, 1993

I would like to welcome Mr. Eugene Brickhouse and Ms. Kathy Elena Jurado here today. You both bring with you an impressive list of accomplishments and we are pleased to have you here today in front of the Veterans Affairs Committee to discuss your respective nominations for Assistant Secretary for Human Resources and Administration and Assistant Secretary for Public and Intergovernmental Affairs at the Department of Veterans Affairs.

The Department of Veterans Affairs serves many roles in representing the veterans of America. In order for the Administration to continue its pledge of assistance and support for all veterans, it must have an excellent inner network of support. Both the office of the Assistant Secretary for Human Resources and Administration, and Assistant Secretary for Public and Intergovernmental Affairs serves as this support.

It is important that the Department of Veterans Affairs through the Office of Human Resource and Administration continue to be the largest employer of and for veterans -- particularly disabled veterans. It is also imperative that the Office of Human Resources continue to play a vital role in recruiting top health care professionals for VA medical centers in order to be competitive as national health care reform evolves. Further, in preparation for a national health care system, the Office of Public and Intergovernmental Affairs will be charged with communicating important program information to veterans -- largely through the use of the media -- about health coverage and benefits under the new system. It is critical that all offices within the Department of Veterans Affairs keep our nations changing health care environment in mind.

I expect the Administration to look to the future for veterans and provide them with the oversight and foundation they will need while sustaining an excellent inner organization in these changing times.

OPENING REMARKS  
KATHY ELENA JURADO  
ASSISTANT SECRETARY DESIGNATE  
PUBLIC AND INTERGOVERNMENTAL AFFAIRS  
U.S. DEPARTMENT OF VETERANS AFFAIRS  
BEFORE THE  
SENATE VETERANS' AFFAIRS COMMITTEE  
OCTOBER 28, 1993

Mr. Chairman and members of the Committee, it is a great honor for me to be here as the President's nominee for Assistant Secretary for Public and Intergovernmental Affairs of the United States Department of Veterans Affairs. I am very grateful to President Clinton and Secretary Brown for their confidence in me to fulfill the responsibilities of this office.

A variety of experiences have prepared me to come before you today. Although none has been as enjoyable as my work with the U.S. Congress, I believe it will be my knowledge of state and local governments that will have the greatest impact on my ability to serve the Department and this Administration.

The Department of Veterans Affairs was established, by the will of Congress, to serve the brave men and women of our armed forces. But, I believe the Department's service extends much farther--to the communities our nation's 27 million veterans call home.

Today's VA is facing a myriad of new challenges including health care reform, special health care concerns of Persian Gulf and women veterans, the rapid aging of our veteran population, military downsizing and the plight of homeless veterans. Many of the concerns of our veterans are the very same problems confronting all Americans.

In these times of limited resources, VA must work with the diverse interests of federal, state and local governments in order to provide needed services to veterans as fully and effectively as possible. If confirmed, I will work to improve communications and make the most of VA's relationships with communities, states and federal agencies.

Veterans are the defenders of our freedom, but as important, they and their families are the foundation of our communities. VA and its employees provide daily support for this foundation. I look forward to becoming part of this Department which is so committed to meeting the needs of our nation's veterans.

In closing, I would like to thank the Committee staff for their assistance to me in preparation for this hearing. I will be pleased to respond to any questions.

# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

## PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name. Jurado Kathy Elena  
(LAST) (FIRST) (OTHER)

2. Present address: 910 W. Virginia Avenue Tampa FL 33603  
(CITY) (STATE) (ZIP CODE)

3. Position to which Assistant Secretary for Public and Intergovernmental Affairs 4. Date of nomination: September 16, 1993  
nominated: Department of Veterans Affairs

5. Date of birth: 30 March 1960 6. Place of birth: Tampa, FL  
(DAY) (MONTH) (YEAR)

7. Marital status: Single 8. Full name of spouse: \_\_\_\_\_

9. Names and ages of children: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Education:

Institution (including city and State)	Dates attended	Degrees received	Dates of degrees
University of Notre Dame	8/78 to 5/79	BA, Government	5/82
Notre Dame, IN	8/80 to 5/82	and International Relations	
University of South Florida			
Tampa, FL	6/79 to 5/80	non-degree seeking coursework	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____

11. Honors and awards

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement

1991 Florida Democratic Party Recognition of Outstanding Service  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant.

Organization	Office held (if any)	Dates
University of South Florida President's Council		8/93 to present
University of Notre Dame Alumni Association		1983 to present

13. Employment record:

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

Director of Government Relations  
University of South Florida  
 4204 E. Fowler Avenue  
 Tampa, FL 33620 (1/93 to present)

Administrative Assistant, HHS, VA, HUD Cluster  
~~Presidential Transition Commission~~  
 General Services Administration, 1500 E. Bannister Rd.  
 Kansas City, MO 64131  
 1120 Vermont Avenue, NW  
 Washington, DC (12/92 to 12/92)

(continued on Attachment A)

14. Military service: List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge

None



15 Government  
experience

List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

During my tenure with the Alcalde firm at Arlington, VA, I  
represented the City of Las Vegas.

16 Published  
writings:

List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

None

17. Political  
affiliations  
and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

1) Chiles/MacKay Campaign for Governor, Florida, \$100 Contribution for  
Primary, \$100 Contribution for General Election 1990

2) Mary Sue Terry for Governor, Virginia, \$100 Contribution 5/19/93

3) Victory '94, Florida Democratic Party, \$100 Contribution 2/26/93

4) Democratic Congressional Campaign Committee, \$500 Contribution 8/19/93

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved

None

18. Future  
employment  
relationships:

- (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate.

I will sever all connections with my present employer.

- (b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

I have made no plans to resume employment with my present employer.

- (c) What commitments, if any, have been made to you for employment after you leave Federal service?

I have made no commitments for employment after I leave Federal service.

- (d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

\_\_\_\_\_

- (e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election?

I intend to serve until the next Presidential election.

\_\_\_\_\_

19. Potential  
conflicts  
of interest

- (a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated

None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- (b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated

None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated

None

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- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy

I am currently registered as a lobbyist with the U.S. House of Representatives and the U.S. Senate on behalf of the University of South Florida (USF), Tampa, Florida. Representing USF, I have contacted Members and Staff of the following committees regarding the passage and modification of legislation: House and Senate Appropriations Subcommittees on Labor, HHS, Education; DOD; Justice, Commerce; and Interior; House Ways and Means Committee;

(continued on Attachment B)

- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved)
- 
- 

20 Testifying  
before the  
Congress

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

I agree to appear and testify before any committee of the Congress.

- (b) Do you agree to provide such information as is requested by such a committee?

I agree to provide information requested by such a committee.

## Attachment A

## 13. Employment Record (continued)

Florida Press Secretary  
 Clinton/Gore '92 Committee  
 124 W. Capitol Avenue  
 Union National Bank Bldg., Rm. 1150  
 Little Rock, AR 72201

2203 N. Lois Avenue  
 (Airport Exec. Center)  
 Tampa, FL 33607

(8/92 to 11/92)

HRC Press Secretary  
 Clinton for President Committee  
 124 W. Capitol Avenue  
 Union National Bank Bldg., Rm. 1150  
 Little Rock, AR 72201

(2/92 to 7/92)

Director, Communications & Public Affairs  
 Florida Democratic Party  
 517 N. Calhoun St.  
 Tallahassee, FL 32303

(3/91 to 1/92)

Coordinator, Transportation Task Force  
 Governor-Elect Lawton Chiles Transition  
 Office of Comptroller  
 State of Florida  
 State Capitol  
 Tallahassee, FL 32399

(11/90 to 2/91)

Leadership 2000 Coordinator  
 Lawton Chiles Campaign for Governor  
 Corner of John Knox Rd. and Monroe St., N.  
 Tallahassee, FL 32302

(4/90 to 10/90)

Vice President for Corporate Communications  
 Home Shopping Network  
 1200 25th Court North  
 St. Petersburg, FL 33716

(2/89 to 12/89)

## Attachment A (continued)

## Associate

Alcalde, Rousselot and Fay  
2111 Wilson Blvd., Suite 850  
Arlington, VA 22201

(2/85 to 1/89)

## Staff Assistant

U.S. House Post Office and Civil Service Committee  
Subcommittee on Census and Population  
House Annex One  
1st and C Streets, SE  
Washington, DC 20615

(7/83 to 12/84)

## Staff Aide

U.S. House Post Office and Civil Service Committee  
Subcommittee on Postal Personnel and Modernization  
House Annex One  
1st and C Streets, SE  
Washington, DC 20615

(1/83 to 6/83)

## Sales Person

La Vogue  
Georgetown Park Mall  
Wisconsin & M Streets, NW  
Washington, DC 20003

(8/82 to 12/82)

## Attachment B

## 19. d. (continued)

Senate Finance Committee. My tenure with USF began on January 4, 1993, and my Federal lobbyist registration was initiated on April 1, 1993.

As an associate with the government and public affairs firm of—Alcalde, Rousselot and Fay, Arlington, Virginia, from February 1985 to January 1989, I represented a variety of clients to Congress. During this time, the Alcalde Firm was registered as a Federal lobbyist with the U.S. House and Senate; I was not registered as an individual. On behalf of the clients of the firm, I dealt mainly with the Members and Staff of the following committees regarding the passage and modification of legislation: House Energy and Commerce; Ways and Means; Banking, Finance and Urban Affairs; Education and Labor; Natural Resources; Public Works and Transportation; Senate Finance; Energy and Natural Resources; Environment and Public Works; Labor and Human Resources.



United States  
**Office of Government Ethics**  
 1201 New York Avenue, NW., Suite 500  
 Washington, DC 20005-3917

September 22, 1993

The Honorable John D. Rockefeller IV  
 Chairman  
 Committee on Veterans' Affairs  
 United States Senate  
 Washington, DC 20510-6375

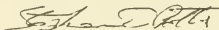
Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Ms. Kathy E. Jurado, who has been nominated by President Clinton for the position of Assistant Secretary for Public and Intergovernmental Affairs at the Department of Veterans Affairs.

We have reviewed the report and have also obtained advice from the Department of Veterans Affairs concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Ms. Jurado is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

  
 Stephen D. Potts  
 Director

Enclosure



United States  
**Office of Government Ethics**  
 1201 New York Avenue, NW., Suite 500  
 Washington, DC 20005-3917

October 25, 1993

The Honorable John D. Rockefeller, IV  
 Chairman  
 Committee on Veterans' Affairs  
 United States Senate  
 Washington, DC 20510-6375

Dear Mr. Chairman:

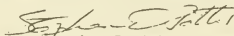
In accordance with the Ethics in Government Act of 1978, I enclose a revision of the financial disclosure report filed by Ms. Kathy E. Jurado, who has been nominated by President Clinton for the position of Assistant Secretary for Public and Intergovernmental Affairs of the Department of Veterans Affairs.

We certified and transmitted the original report to the Committee on September 22, 1993. Ms. Jurado has now revised the report by amending Schedule A to report conversion of funds from the Florida State University System Plan into shares of the Great American Reserve Variable Annuity Fund.

We have reviewed the revised report and have also obtained advice from the Department of Veterans Affairs with respect to the revisions concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Ms. Jurado is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

  
 Stephen D. Potts  
 Director

Enclosure

OGE - 106  
 August 1992

KATHY ELENA JURADO  
ASSISTANT SECRETARY DESIGNATE  
PUBLIC AND INTERGOVERNMENTAL AFFAIRS  
DEPARTMENT OF VETERANS AFFAIRS  
PRE-HEARING QUESTIONS  
RESPONSES SUBMITTED TO  
THE  
SENATE VETERANS AFFAIRS' COMMITTEE  
FRIDAY, OCTOBER 22, 1993

1. Please describe those aspects of your experience that you believe are most relevant to your nomination to be the Assistant Secretary of Public and Intergovernmental Affairs.

For the past eleven years, my work experience has been equally divided between the public relations and government relations professions. Serving as staff for a House Committee, a corporate lobbyist and as a government relations director, I have worked with a variety of government agencies, legislative bodies and elected officials on the federal, state and local level. I bring to the office a healthy respect for the inner workings and intricacies of each of these institutions, and a knowledge of what actions must be taken in order to build productive relationships between the Department of Veterans Affairs (VA) and the various branches of government it must interact with to ensure quality service to the the veteran population.

As a communications officer and spokesperson for corporate and nonprofit enterprises, I have developed media and marketing campaigns to futher public relations objectives. It has been my experience that a well coordinated message, delivered by an institution that has developed a relationship of trust with the community, is essential to good public relations.

2. a. In your opinion, what is the purpose of the public affairs function of the Assistant Secretary's office?

I believe the purpose of the Office of Public Affairs (OPA) is to perform the following functions for VA: analysis and counsel; national media liaison; field media support; generation and dissemination of national news releases; specialized media interaction; speech and message preparation; news coverage retrieval



through daily compilation of significant veterans affairs news; special events support; internal communications to employees; production and distribution of information publications; and public affairs training to field and facility-based public affairs officers.

b. How would you compare and contrast the public affairs function of the office with that carried by an office of information for a private entity, such as a privately managed health care organization?

In my opinion, the most significant difference between the OPA and the public relations function of a private entity is that such an entity would have the prime objective of promoting a product or service. The Office of Public Affairs has not, in the past, viewed its responsibility as the marketing of a service. Rather, it has seen its job as one of public information and communication to a "captive audience." As the Committee is well aware, the veteran community will soon be presented with a variety of options to fulfill their health care needs, and the Veterans Health Administration (VHA) will for the first time "market" health care services to all veterans. Thus, OPA may have to take on a role closer to its private sector counterparts--that of promoting VA's health care services.

3. In your opinion, what is the purpose of the intergovernmental function of the Assistant Secretary's office?

The purpose of the intergovernmental function of the Assistant Secretary's office is to act as the Department's liaison to federal, state and local government officials. The Office of Intergovernmental Affairs (IGA) maintains a dialogue with government officials in order to exchange information and to provide timely feedback to the Department regarding VA initiatives and programs. As the Department prepares to participate in health care reform, IGA will play a vital role by monitoring the actions of states as they begin to design programs to implement health care reform. IGA will provide an essential liaison function by helping educate state government officials about the VA Health Plan Option and facilitating interaction between VHA and state governments.

4. a. What do you believe are the major public affairs issues for the Department of Veterans Affairs at the current time?

The major public affairs issues currently confronting the Department of Veterans Affairs are national health care reform, concerns of women veterans, employee sexual harassment, homeless veterans, downsizing of the military and the special health care concerns of Persian Gulf War and Vietnam veterans.

**b. How, if at all, would you modify VA's current public affairs strategy to address these problems?**

It is my opinion that VA should utilize the assets of the Department to provide a national focus for veterans concerns. The Secretary should seek media opportunities to draw attention to VA accomplishments. By using the national media as a bully-pulpit, VA can truly be an advocate for veterans needs.

I believe that the veteran population and the public as a whole is most concerned about the services VA is providing in individual communities. Therefore, I would emphasize OPA consulting with public affairs officers at the local level to encourage consistent and comprehensive coverage of VA programs. It is my experience that good policy does not immediately result in good public affairs outcomes. It would be my recommendation that OPA assist VA facilities in the coordination of local outreach and public affairs campaigns. A national program has no impact unless it has a local impact.

**5. It is not clear whether the major media have reporters who are assigned to cover VA and veterans' issues. What, if anything, might be done to improve coverage of veterans' issues?**

Most national media do not have reporters assigned to cover VA and veterans issues. It is my experience that such reporting by the media may result in a majority of coverage focusing on problems at VA rather than successes. As you know, tragedy is much more glamorous than the routine care and treatment of veterans in the eyes of the media. To address this problem, the Office of Public Affairs is providing better training for facility-based public affairs officers in an effort to build a proactive media relations team at the local level. Furthermore, recognizing the media's increased diversity and narrowing focus, OPA is taking advantage of special interest publications and programming to deliver VA's message.

Health care reform presents VA with a unique public relations opportunity. Those reporters assigned to cover health care reform will need to educate themselves on the VA option. If confirmed, I plan to have the Office of Public Affairs take full advantage of this opportunity by developing relationships with national and local media who will provide intense coverage of the debate on health care reform. Our goal will be to take every opportunity to educate the veteran community about their health care options as they evaluate the plans offered by VA and others.

6. Under the President's health reform plan, the intent is that a VA plan will be offered as an enrollment choice to veterans by each source of health care coverage. One question that has been raised about this proposal is whether veterans will choose VA from among competing health plans.

a. What role do you believe the Assistant Secretary might play in helping to define VA's role under national health care reform?

I believe the role of the Assistant Secretary is to consult with VA program and policy officials to define the Department's role under national health care reform, and to take responsibility for communicating to the nations veterans what VA health care options will be available to them under health care reform.

b. Which new public affairs issues do you see arising as a result of the proposed plan, and how do you see VA reacting to these new issues?

In my opinion, the most important new public affairs issue arising from health care reform is the need to inform veterans of their health care options and the benefits of VA's system. Veterans will need information on VA's health care services including eligibility, mental health care, long-term health care, supplemental plans, premiums and the role of health alliances. I believe VA must communicate early and often with the veteran community about the Department's plan for health care reform options. VA must be proactive in addressing veterans' concerns and aggressively communicate VA's changing role under health care reform.

c. Do you envision VA using standard marketing tools, such as direct mail and mass media advertising, to maintain its competitiveness in the new environment?

I do envision VA utilizing standard marketing tools to enable VHA facilities to maintain a competitive position in this new environment of health care reform. The determination of specific marketing tools will require an assessment of the individual demographics of each service region.

d. Are there any other advertising strategies that you believe VA might employ?

I believe that the determination of advertising strategies will require an assessment of the veteran population and competition present in individual markets.

e. How do you envision issues relating to the appeal to veterans of VA health care being alleviated, compounded, or changed by national health care reform?

I believe national health care reform will improve the opinion veterans have of VA's health care system. Under health care reform, the VA system will offer a full continuum of care previously not available to all veterans.

7. a. Are there any statutory or regulatory impediments to VA public affairs activities?

I am advised by VA's General Counsel that there are some confidentiality provisions which, on occasion, do limit our ability to respond to media and other requests for information. I am not familiar with the specific details of this limitation, but I will work closely with VA's General Counsel to resolve any difficulties in this regard.

b. Can VA, under current law, fully perform the necessary "selling" that will be necessary under health care reform?

It is my understanding that, under current law, VA will continue to provide educational and informative commentary in

support of VA's role in national health care reform. It is also my understanding, however, that VA may not have all the authority it needs to engage in these activities. I must assume that this issue will be addressed as the legislation to implement health care reform in VA is considered.

8. Section 523 of title 38, United States Code, sets out the Secretary of Veterans Affairs' role in achieving coordination and promotion of other executive branch programs affecting veterans and their dependents. What do you believe you might do to assist the Secretary in fulfilling his responsibility under that provision?

I believe the Office of the Assistant Secretary for Public and Intergovernmental Affairs can assist the Secretary by acting as a liaison to other executive branch agencies for the purpose of coordination and promotion of intergovernmental programs affecting veterans and their dependents. It is my understanding that the office currently coordinates and promotes joint venture programs, such as the Service Members Occupational Conversion and Training Act (SMOCTA) and AIDS programs, and it would be my position to participate in all intergovernmental programs that would benefit veterans and their dependents.

9. VA has a significant role to play in cooperation with other governmental entities -- other federal departments and agencies as well as state and local governments. Please indicate your views on VA's current efforts on the following issues and any suggestions you have for changes:

a. Health care concerns of Persian Gulf War veterans which could involve various other federal entities, such as the Department of Defense (DoD), Health and Human Services (HHS), and the Environmental Protection Agency (EPA).

The Secretary has taken the lead in coordination of federal entities for the purpose of addressing health care concerns of Persian Gulf War veterans. VA/DoD Persian Gulf-related cooperative efforts include participation in work groups, sharing of information, coordination of their Persian Gulf Registries, and joint contracting with the National Academy of Sciences to review possible environmental related health effects.

It is my understanding that VA is pursuing increased communication with other agencies, such as EPA, who may be involved in related areas of research, and if confirmed, I look forward to assisting the Department in my capacity as intergovernmental liaison. In addition, the Office of Public Affairs will continue to develop outreach and public information programs to assist Persian Gulf veterans who have health care concerns.

**b. Sharing of federal health resources, involving DoD, HHS, and other federal entities.**

VA has approximately 600 sharing agreements with DoD, encompassing over 3,200 shared services. Last year VA provided over \$34 million in services to DoD while purchasing \$13 million from DoD. VA also has sharing agreements, with a volume totalling \$200 million per year, with non-DoD health care facilities, including affiliated medical institutions, other community providers and several agencies under the Department of Health and Human Services (i.e., Indian Health Service, the Federal Bureau of Prisons and the National Institute for Drug Abuse). VA has sought out numerous sharing agreements in the interest of providing veterans with additional services and with greater cost effectiveness; and, while additional agreements must be evaluated on their own merit, it is my opinion that sharing agreements will continue to provide additional resources to VA health care programs.

**c. Programs to address the problem of homeless individuals, both on the federal as well as the state and local levels.**

VA has initiated aggressive outreach efforts to connect more homeless veterans to both mainstream and homeless-specific VA programs and benefits. These VA programs annually direct several billion dollars of assistance to hundreds of thousands of at-risk and homeless veterans. Federal, state and local coordination of homeless programs and resources are essential to the success of VA homeless assistance initiatives.

The Secretary has made homeless veterans outreach a top priority at VA and has recently directed the Office of Intergovernmental Affairs to coordinate the Department's efforts. I believe VA must continue partnerships with federal, state and local governmental agencies and non-profit organizations in order to successfully deliver services to homeless veterans, and I know IGA

will be tireless in its support of the Secretary's agenda to serve homeless veterans.

d. Health care reform which will involve various federal activities as well as the state and local levels.

Health care reform will require the Department to open up new lines of communication with federal, state and local governmental entities. VA and VHA are aware of the need for intergovernmental communication, and it is expected that VA Medical Centers participating in alliance plans will need to be aware of different State preferences or guidelines. IGA will support VA and VHA by establishing needed intergovernmental relationships and facilitating communications between VHA and state governments who are setting up health alliances. IGA will have a broader goal of educating state opinion leaders and state directors of veterans affairs on VA's role in health care reform.

e. The impact of the downsizing of the military, which could involve DoD, Department of Labor (DoL), and state and local governments.

Outreach to the active duty military community and recently discharged veterans is one of VA's priorities. In response to military downsizing, VA is collaborating with DoD, DoL, and state and local governments to provide health care and vocational rehabilitation services. The Transition Assistance Program (TAP) and Disabled Transition Assistant Program (DTAP), military service coordinators, and other veterans benefits counselors assist military personnel in transition. Military downsizing is a great concern to many communities. Both OPA and IGA can provide support to VA's programs by enhancing communication with veterans and local governments.

f. State programs which affect veterans, including the State cemetery program, State Veterans Homes, and veterans employment programs.

VA state programs, including the State Cemetery program, State Veterans Homes and veterans employment programs, provide states with funding for various forms of state assistance to veterans. States receive information on matching and other programs from the VA program offices. IGA also regularly communicates with State

governments and facilitates with regard to such programs. I believe IGA can assist VA in the promotion of these programs by conducting additional outreach to the states.

10. In a recent interview with The American Legion Dispatch, Secretary Brown talked about generating acknowledgement for VA's employees who do an excellent job taking care of our nation's veterans. He was quoted as saying:

First, the VA has 260,000 employees who do an excellent job, and they need and should get the credit for doing an excellent job. I think it's important for the American people to know that because we are here to look after their sons and daughters who, because of their military service, turn to us for help.

a. What might be done to develop more intra-agency communication and cooperation to further this effort?

OPA publishes a monthly employee magazine, Vanguard; a quarterly employee video; operates an interagency electronic bulletin board; and circulates a clip-sheet--all with the purpose of highlighting VA employee achievements, success stories and excellence in service to veterans. In addition, the Secretary sends employees letters of commendation for presentation during employee events. It is my opinion that these intra-agency efforts must be continued and enhanced.

b. What role might the veterans service organizations play in such an effort and how could you assist in that?

OPA is working with Veterans Service Organizations (VSOs) to distribute similar information to service organization publications. It is important that the VSO's be made aware of the accomplishments of VA employees and their commitment to the service of veterans. IGA also acts as a communications link to state veterans affairs directors for the purpose of disseminating information which acknowledges the vital role of VA employees.

11. For many years, Members of Congress and others have expressed frustration that, when research findings



resulting from efforts of individuals who are VA researchers and who also have a University appointment are published particularly in the popular media, the researcher's affiliation with VA is barely noted. While there has been some improvement in this area in the recent past, much more still could be done. In your view, what efforts might be undertaken so that VA receives the attention and credit it is due for its important role in such studies?

As an employee of a state university with a medical school, I understand the problem of coordination of the release of research findings for the benefit of the University. Often we find that the University affiliation with a physician is viewed as secondary to the physician's affiliation with a hospital and research center.

OPA is currently operating the National Story Program, a computerized registry of media contacts for placing stories. All VA medical researchers are encouraged to utilize the services of OPA including the Story Program to bring national recognition to their achievements and VA's quality of care and services.

OPA is also working with VHA public affairs officers to improve communication with physicians and medical researchers so that the release of findings or publications can be coordinated. OPA must educate researchers about the benefits of a coordinated release, i.e., wider national media distribution via VA channels, and promote the services of OPA to the research community.

.10/29/93 16:01

☎202 535 8495

PUBLIC AFFAIRS

002



DEPARTMENT OF VETERANS AFFAIRS  
ASSISTANT SECRETARY FOR PUBLIC AND INTERGOVERNMENTAL AFFAIRS  
WASHINGTON DC 20420

October 29, 1993

The Honorable John D. Rockefeller IV  
Chairman  
Senate Veterans' Affairs Committee  
United States Senate  
Washington, DC 20510

Dear Mr. Chairman:

Enclosed are the answers to the post-hearing questions submitted by the Committee to Ms. Kathy Elena Jurado, Assistant Secretary Designate for Public and Intergovernmental Affairs, Department of Veterans Affairs.

Ms. Jurado asked that we express her appreciation to the Committee for the opportunity to submit this additional information.

Sincerely yours,

A handwritten signature in dark ink, reading "Marti McAlister Gallo".

Marti McAlister Gallo  
Executive Assistant

Enclosure

KATHY ELENA JURADO  
ASSISTANT SECRETARY DESIGNATE  
PUBLIC AND INTERGOVERNMENTAL AFFAIRS  
DEPARTMENT OF VETERANS AFFAIRS  
POST-HEARING QUESTIONS  
RESPONSES SUBMITTED TO  
THE  
SENATE VETERANS AFFAIRS' COMMITTEE  
FRIDAY, OCTOBER 29, 1993

QUESTIONS SUBMITTED BY SENATOR ROCKEFELLER

1. Kathy, in the pre-hearing questions which I sent you, I indicated my view that VA needs a clear-cut public affairs strategy to compete with other systems of care. Your responses to my questions suggest that you share this view and that you have some good ideas about how VA can work under health care reform. I would like to talk a little bit more about that "well coordinated message" you described in your pre-hearing questions. What is it likely to be and how will it be delivered to veterans?

If confirmed, I would work with VA program and policy officials to help define the Department's role under national health care reform and design a strategy to send a "well coordinated message" to the nation's veterans about their VA health care options. As you know, veterans with service-connected disabilities and low-income veterans who choose VA as their health plan will receive comprehensive hospital and outpatient care with no copayments or deductibles. All veterans will become eligible for the comprehensive package of national health care benefits including access to comprehensive outpatient care. I believe VA must educate veterans and their families about the basic VA health care option and inform veterans that in choosing the VA plan, they will benefit from VA's special expertise on health issues related to military service.

This message will have both national and regional components and will involve the coordination of VA personnel across the country. Veterans currently receiving VA health care will look to their providers to describe individual health care options and benefits. Other veterans not currently receiving VA health care will look to the media, contact nearby VA medical facilities and regional offices

or consult with other veterans about the VA health care options available. It is critical that all VA personnel have the ability to inform veterans about their VA health care options or be able to direct veterans to a reliable source of information. In addition, the media and veterans groups must be educated about the VA health care options in order to disseminate that information widely and accurately.

As we discussed earlier, I do envision VA utilizing standard marketing tools to enable VA medical facilities to maintain a competitive position. Which regions will need marketing assistance and what tools will be used, will require an assessment of the veteran population and competition present in individual markets.

2. I really liked that fact that you consider veterans as consumers rather than as a "captive audience." What do you think your office needs to do to publicize the VA Health Plan Option to these consumers.

Veterans will be comparing the VA health plan option with other plans offered by health alliances and corporate options. VA must distinguish itself with emphasis on the special expertise it has developed over the years in treating veterans. VA is a leader in many health care specialties including the treatment of spinal cord injuries, counseling for PTSD, prosthetics research and development, the field of geriatrics, mental health care and long term care. I believe VA must develop outreach campaigns that educate veterans about the special options the VA health care system can provide if they choose the VA health care option.

3. I previously asked you about the relationship that you expect the Office of Intergovernmental Affairs and VHA will have with those state governments that are moving forward with health care reform. You indicated that your office would "educate state opinion leaders and state directors of veterans affairs on VA's role in health care reform." That is a good answer, but the problem, it seems to me, is getting VA to the table and getting them there right away in key states. How would you help get VA involved at the state level?

If confirmed, I would work with VA program and policy officials to develop strategies for states that are moving forward and

implementing health care reform programs. As discussed, the Office of Intergovernmental Affairs (IGA) will monitor the actions of states, establish relationships with state governments, and educate state opinion leaders and state directors of veterans affairs on VA's role in health care reform. IGA will provide VA program and policy officials with timely feedback so that state strategies can be designed. IGA will then act as a liaison on behalf of VHA Directors and other VA officials in order to facilitate meetings between VA and states to discuss appropriate actions such as legislative remedies and coordinated veteran outreach programs.

4. Regarding sharing of federal health resources with the Department of Defense, you wrote in response to my pre-hearing question that sharing agreements provide additional resources to VA health care programs. I agree. In an era of scarce resources, what can your office do to help VA increase the number of sharing agreements, and make sure that they benefit VA?

It is my belief that the sharing agreements VA has in place will provide veterans with the health care resources needed to make VA competitive in the new environment of health care reform. As you know, other health care providers will be looking at partnerships and other affiliation agreements to make their health plans more attractive to consumers. In evaluating VA's health plan option, VA program and policy officials will need to consider what additional sharing agreements will be needed to provide veterans with a competitive health care option. If confirmed, I will work in my intergovernmental capacity to promote new sharing agreements that have been evaluated and determined to provide veterans with additional services in a cost effective manner.

#### QUESTIONS SUBMITTED BY SENATOR MURKOWSKI

1. Ms. Jurado, as the official who will be in charge of VA's public affairs activity, you will head up VA's attempts to market itself in order to attract new patients. How do you propose to market VA? How will you make VA care more attractive to veterans -- especially to veterans who do not have service-connected disabilities and who may not have used VA health care services extensively in the past -- who might seek care elsewhere under a universal access system?

If confirmed, I would propose to market the VA health care option by implementing both national and regional veterans outreach campaigns. Utilizing VA personnel across the country, veterans would be instructed about their VA health care option. Veterans who use VA health care services would consult their own VHA provider about their new options under health care reform. Veterans who have not used VA health care services extensively in the past will look to the media for information, contact VHA facilities to inquire about services and consult other veterans about the VA health care option now available.

Veterans comparing the VA health plan option to other plans offered by health alliances and corporations will be educated about VA's special expertise in many areas including spinal cord injury, PTSD, prosthetics, geriatrics, mental health care and long term care. Dependent on an assessment of individual markets, I believe VA may need to utilize standard marketing tools to enable VHA facilities to maintain a competitive position.

2. What sort of resources has the Secretary committed to you to assist in your marketing effort?

Secretary Brown has stated that he is committed to VA's new role in national health care reform and has communicated to the Senate the need to market VA's health care option in order to be competitive with other health plans. VA's existing public affairs and intergovernmental communications networks will begin the job of consulting with VA personnel and educating the media, state opinion leaders and veterans groups to perform the above described veterans outreach campaigns. A market assessment will be necessary before VA can determine what additional resources will be needed to market VA's health care option.

#### QUESTIONS SUBMITTED BY SENATOR JEFFORDS

1. How do you foresee the implementation of a national health care system affecting consumer affairs in the VA.

I believe VA and VHA consumer affairs representatives will take a lead in providing veterans with the information they need to evaluate their health care options. All VA personnel who are accessible by veterans will be educated about the new VA health

care option and have the ability to inform veterans about their options or refer them to a reliable source of information.

2. How will the VA Intergovernmental Office be used to communicate new health care options and benefits information under a national health care system? Do you foresee new services and outreach during this time?

If confirmed, I would utilize the Office of Intergovernmental Affairs to communicate new health care options and benefit information by conducting education and outreach campaigns targeted at state opinion leaders including governors, legislators, appropriate agency heads and state directors of veterans affairs. State opinion leaders will all have a voice in the health care reform debate and it is critical to the success of the VA health care option that they be well versed on the subject and communicate accurately to veterans in their states.

OPENING STATEMENT  
Senate Confirmation Hearing for

Eugene A. Brickhouse  
Nominee, Assistant Secretary for Human Resources and Administration  
Department of Veterans Affairs

Thank you, Mr. Chairman.

Mr. Chairman and members of the Committee, it is a great honor and a privilege for me to appear before you today as the President's nominee for the position of Assistant Secretary of Veterans Affairs for Human Resources and Administration. I would like to express my sincere gratitude to Secretary Jesse Brown and Deputy Secretary Hershel Gober for their support of my nomination to this position.

During the past 31 years, I have had the pleasure of working with, and on behalf of, veterans in many ways. Through my career, I have witnessed and personally experienced changes in the military and political arenas that directly affect veterans. Overall, these changes have been positive, but there are many new and varied challenges ahead of us which must be met. These positive changes will continue, and will accelerate, with strong teamwork among the Department of Veterans Affairs, Congress, veterans service organizations and U.S. veterans themselves.

We must focus on enhancing the management of human resources and administration within the Department to continue improving the quality and accessibility of services and benefits for this nation's veterans.



The Department's success depends on a talented work force dedicated to constantly improving existing services and benefits -- a work force dedicated to implementing the programs that make new veterans services and benefits a reality. I believe VA can be a part of the change that leads this country in making government more responsive, and I want to be a part of the effort.

If confirmed in this position, I will have the opportunity to contribute to the achievement of the mission of the Department of Veterans Affairs, and ultimately to the deserving members of the veterans community. I bring to this responsible position 30 years of extensive active duty military service, my experience working in the Department of Veterans Affairs on the Commission on the Future Structure of Veterans Health Care, and my experience as a professional staff member of the House Veterans Affairs Committee.

I also bring my personal dedication to the task of achieving excellence in providing VA a work force of well qualified and dedicated individuals. VA employees need to be part of the team that is striving to be the most responsive and best managed service delivery organization in the federal government.

Mr. Chairman, I would be honored to have the opportunity to work with you and other committee members, and your and their staffs, in meeting the challenges ahead. I would be pleased to respond to any questions that you and other Committee members may have.

Thank you.

# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: Brickhouse Eugene A.  
(LAST) (FIRST) (OTHER)
2. Present address: 9 Feather Rock Place Rockville, MD 20850  
(CITY) (STATE) (ZIP CODE)
3. Position to which Assistant Secretary for Human 4. Date of  
 nominated: Resources and Administration nomination: September 7, 1993
5. Date of birth: 13 February 1940 6. Place of birth: Exmore, Virginia  
(DAY) (MONTH) (YEAR)
7. Marital status: Married 8. Full name of spouse: Phyllis Ann Brickhouse
9. Names and ages  
 of children: Marc L. Brickhouse - 21  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

10. Education:	Institution (including city and State)	Dates attended	Degrees received	Dates of degrees
	Northhampton County High School Machipongo, VA	1952 - 1956	Diploma	June 1956
	Virginia State University Petersburg, VA	1956 - 1962	B.S. Biology	January 1962
	University of Texas San Antonio, TX	1973 - 1976	Masters Human Resources	June 1976
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

11. Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

See Attachment A

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12. Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant.

Organization	Office held (if any)	Dates
<u>The Retired Officers Association</u>	<u>None</u>	<u>March 1992 - Present</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

13. Employment record:

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

Professional Staff Member, Committee on Veterans' Affairs,  
U.S. House of Representatives, 335 Cannon House Office Building  
Washington, DC 20515 (March 1992 to present)

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14. Military service. List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

See Attachments B & C

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15. Government experience: List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

None

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16. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

No published writings

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17. Political affiliations and activities: (a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

None

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- (b) List all elective public offices for which you have been a candidate and the month and year of each election involved.

None

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## 18. Future

employment  
relationships:

- (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate.

Yes

- (b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

None

- (c) What commitments, if any, have been made to you for employment after you leave Federal service?

None

- (d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

Yes

- (e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election?

Yes19. Potential  
conflicts  
of interest:

- (a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

- (b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated

None

- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated.

None

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- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

None

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- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

Not applicable

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20. Testifying  
before the  
Congress:

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

Yes

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- (b) Do you agree to provide such information as is requested by such a committee?

Yes

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**Attachment A - Military Medals**  
**(Part I, Item #11)**

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- Defense Superior Service Medal
- Legion of Merit
- Defense Meritorious Service Medal
- Army Meritorious Service Medal (1 Oak Leaf Cluster)
- Army Commendation Medal (2 Oak Leaf Clusters)
- National Defense Service Medal with Bronze Service Star
- Armed Forces Expeditionary Medal
- Army Service Ribbon
- Overseas Ribbon (3)
- Office of the Secretary of Defense Identification Badge
- Expert Field Medical Badge

**Attachment A: Resume for Eugene A. Brickhouse**

ATTACHMENT B - MILITARY SERVICE

(PART I, ITEM #14)



EUGENE A. BRICKHOUSE  
9 Feather Rock Place  
Rockville, Maryland 20850  
301-340-3260 (Home)  
202-225-2614 (Work)

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## CAREER SUMMARY

Thirty years experience in human resource management, administration management, equal employment opportunity (EEO), labor relations, occupational safety and health, and automation management as active commissioned officer in U.S. Army. Increasing responsibility in each of these human resource and administrative areas throughout the thirty years military experience.

Served over seven years overseas in Europe and the Pacific. Worldwide assignments include Office of the Secretary of Defense, the Pentagon, Office of the Assistant Secretary of Defense, Department of U.S. Army-Headquarters, U.S. Army commands, and Department of Veterans Affairs. Hands-on experience visiting and working in approximately 60 military hospitals worldwide.

Currently working as professional staff member on U.S. Congress Committee of Veterans Affairs (VA). Duties have required visiting approximately 15 VA hospitals throughout the U.S. Conducted commission research on VA health care in rural areas of the U.S.

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## EDUCATION

Master of Arts, Management of Human Resources, University of Texas, 1976  
Bachelor of Science, Biology, Virginia State University, 1962  
Graduate, U.S. Army Information Systems School, Ft. Benjamin Harris, Indiana, 1977

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## PERSONAL ATTRIBUTES AND QUALITIES

- Combined Department of Veterans Affairs experience, DoD/VA hospital and medical expertise, diverse geographic experience, and U.S. Army retiree with vested interest in the VA: tailor-made qualifications for making a positive contribution to the VA.
- Believes strongly in teamwork; quickly joins team created by superiors and builds team among subordinates to achieve a common goal
- Established strong, positive working relationships with several Congressional members, Congressional staffers, and Veterans Service Organization members
- Fair, open-minded and diplomatic negotiator; trusted, personable, congenial, and loyal employee

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## PERSONAL BACKGROUND

Married. One son. Excellent health. Completed active U.S. Army service with rank of Colonel. Top Secret security clearance for last 20 years of service.

## CIVILIAN EXPERIENCE

- 1992-present Professional Staff Member, Committee on Veterans Affairs, U.S. House of Representatives  
 Contributes to projects that will impact the future structure of the Veterans Health Administration, an agency of the VA. Conducts oversight throughout the Department of Veterans Affairs.
- Established good working relationship with key members of Veterans Service Organizations
  - Conducted an in-depth review of the Department of Veterans Affairs integrated commercial hospital system; the recommendations have been adopted by the VA and are currently being implemented

## MILITARY EXPERIENCE

- 1990-1991 DoD Liaison, Commission on the Future Structure of Veterans Health Care, Department of VA  
 Served as senior military medical service corps officer on detail from Department of Defense (DoD).  
 Chaired a work group for the VA/DoD Contingency System.
- Recommended measures to further cooperation between DoD and VA, which the U.S. Congress has endorsed and the VA has accepted.
  - Extensive experience and understanding of the VA and DoD — their goals, organizations, and initiatives.
- 1989-1990 Chief of Staff, Defense Medical Systems Support Center (DMSSC), Office of the Assistant Secretary of Defense (Health Affairs) (OASD-HA)  
 Key assistant to the Director in developing a newly realigned organization. Managed daily operation of the organization including personnel and administrative activities for the organization consisting of 88 high-level military and civilian personnel and yearly budget of \$100 million.
- Created the functional requirements for the new organization
  - Established personnel and administrative policies including recruitment, work hours, and conditions of employment
  - Recruited, hired and staffed 88 positions with talented, key personnel
  - Conducted employee orientation sessions and exit interviews
  - Developed and submitted annual budget for new organization
  - Supervised administrative support services
- 1988-1989 Deputy Director & Chief of Staff, DMSSC, Office of the Assistant Secretary of Defense (Health Affairs)  
 Served as Chief of Staff overseeing daily operations of the organization consisting of military and civilian personnel. Directed the Integration and Resource Management Office in maintaining project plans, budgets, and data. Assisted the Director in the management of multi-million dollar projects.
- Instituted an a formal employee training program enhancing professional skills, increasing group productivity, and promoting employee morale
  - Prepared annual budget and subsequent spending plan based on actual allocations
  - Recruited, interviewed, and hired prospective candidates for positions
  - Managed all day-to-day administrative and personnel actions of the office
- 1986-1988 Program Manager, Hospital Systems Program Office, DMSSC, OASD-HA  
 Directed and managed operation of the office consisting of 34 military and civilian personnel. Managed activities relating to the installation of the \$1 billion Composite Health Care System (CHCS) program system in 167 military hospitals and over 500 health clinics worldwide.
- CHCS automated many laborious, mundane tasks freeing employees to learn new skills and better apply their expertise
  - Formulated plans and policies for personnel and office administration: recruitment, hiring, performance appraisals, position upgrades, etc.
  - Prepared fiscal year budget for organization
  - Proven record of achievement in program design, implementation, and evaluation

- 1985-1986      Program Manager, Tri-Service Medical Information Systems Office (TRIMIS), OASD  
Exercised direction, authority, and control over the TRIMIS Program Office. Program Manager for CHCS.
- Provided daily direction to staff in accomplishment of organizational objectives
  - Developed job descriptions and hired individuals to fill positions
  - Conducted employee orientation sessions
- 1983-1985      Deputy Director & Director, Requirements and Technology, TRIMIS, OASD  
Supervised office of 15 employees and managed daily operation and administration.
- Advised the Program Manager on matters relating to health care automation
  - Coordinated recruiting, hiring, employee orientation, and exit briefings
- 1977-1983      Chief, Patient Administration, TRIMIS, U.S. Army, Office of Surgeon General  
Lead effort to develop functional descriptions for three major components of the CHCS system.
- Developed positive relationships with three federal civilian employee unions
  - Personally briefed the union leaders and members, with honesty and reassurance, on the impact hospital automation would have on their positions
- 1974-1977      Chief, Patient Administration Systems Division, HQ U.S. Army Health Services Command  
Directed a large, diverse division engaged in original development of three worldwide systems.
- Developed and implemented massive employee education program on drug/alcohol abuse
  - Provided training to staff and to other employees outside the Patient Administration Division
- 1973-1974      Chief, Biostatistics Branch, HQ U.S. Army Health Services Command  
Directed staff of technical specialists and their activities in collecting, compiling, verifying, analyzing, and interpreting various biostatistical data.
- Guided staff in their efforts enabling them to reach peak efficiency and capability
  - Administered all personnel actions including performance appraisals, hiring, exit briefings, etc.
- 1969-1973      Commanding Officer, U.S. Army Medical Records Agency, Heidelberg, West Germany  
Consulted to the U.S. Army Europe and 7th Army on medical records and reports for the U.S. Army Office of the Surgeon General.
- Personally developed and implemented comprehensive EEO Executive Training Program to educate individuals on discriminatory employment practices
  - Taught EEO classes and actively participated in EEO seminars
  - Served as EEO Officer and as active member of EEO councils
  - Rated by superiors as "exceptional" in this area; rated subordinates on their EEO performance
  - Changed work hours of employees (to working through weekends during peak times in exchange for compensation time off during non-peak times) ensuring a motivated, productive work force while also accomplishing the mission of the organization
- 1968-1969      Executive Officer & Intelligence Officer, U.S. Army Pacific, 7th Medical Battalion, Camp Casey, Korea  
Served as staff officer to the Battalion Intelligence and Operations. Served as Executive Officer for Field Medical Battalion. Worked within multi-cultural staff.
- Initiated program for Occupational Safety and Health within medical facilities; established standards and ensured facilities met standards (staffing, equipment, support services)
  - Inspected facilities regularly to ensure health and safety standards were maintained
- 1962-1968      U.S. Army Officer, Varied positions from Lieutenant to Captain, U.S. and Overseas  
Diversified experience in managing and training personnel and organizations in medical treatment facilities. Experience includes Commanding Officer of Medical Field Clearing Company in Ft. Ord, CA and Deputy Patient Administrator in U.S. Army hospital in Frankfurt, Germany.
- Facilitated employee relations programs
  - Coordinated personnel policy and administration

Attachment B: Resume for Eugene A. Brickhouse

ATTACHMENT C - CERTIFICATE OF RELEASE OR  
DISCHARGE FROM ACTIVE DUTY (DD 214)

(PART I, ITEM #14)

CAUTION: NOT TO BE USED FOR  
IDENTIFICATION PURPOSESTHIS IS AN IMPORTANT RECORD  
SAFEGUARD ITANY ALTERATIONS IN SHADED  
AREAS RENDER FORM VOID

## CERTIFICATE OF RELEASE OR DISCHARGE FROM ACTIVE DUTY

1. NAME (Last, First, Middle) BRICKHOUSE, EUGENE AYON		2. DEPARTMENT, COMPONENT AND BRANCH ARMY / RA / MS		3. SOCIAL SECURITY NO. 219   36   5527	
4.a. GRADE, RATE OR RANK O6		4.b. PAY GRADE O6		5. DATE OF BIRTH (YYMMDD) 400213	
6. RESERVE OBLIG. TERM, DATE Year 00 Month 00 Day 00					
7.a. PLACE OF ENTRY INTO ACTIVE DUTY PETERSBURG, VIRGINIA			7.b. HOME OF RECORD AT TIME OF ENTRY (City and state, or complete address if known) EXMORE, VIRGINIA		
8.a. LAST DUTY ASSIGNMENT AND MAJOR COMMAND USA SPT VA			8.b. STATION WHERE SEPARATED FORT MYER, VIRGINIA		
9. COMMAND TO WHICH TRANSFERRED NA			10. SGLI COVERAGE Amount: \$100,000 None		
11. PRIMARY SPECIALTY (List number, title and years and months in specialty. List additional specialty numbers and titles involving periods of one or more years) 67EEO/MEDICAL SERVICE CORPS OFFICER/ 30 YEARS, 01 MONTH//NOTHING FOLLOWS			12. RECORD OF SERVICE		
			Year(s) Month(s) Day(s)		
			a. Date Entered AD This Period 82 03 16		
			b. Separation Date This Period 92 04 30		
			c. Net Active Service This Period 30 01 15		
			d. Total Prior Active Service 00 00 00		
			e. Total Prior Inactive Service 00 00 00		
			f. Foreign Service 08 04 00		
			g. Sea Service 00 00 00		
			h. Effective Date of Pay Grade 83 08 01		
13. DECORATIONS, MEDALS, BADGES, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED (All periods of service) Legion of Merit//Defense Meritorious Service Medal//Meritorious Service Medal(1OLC)//Army Commendation Medal(2OLC)//National Defense Service Medal w/Bronze Service Star//Armed Forces Expeditionary Medal//Army Service Ribbon//Overseas Service Ribbon(3)//Office of the					
14. MILITARY EDUCATION (Course title, number of weeks and month and year completed) ARMED Officer Orientation/ASC/82//Patient Administration/84//AMEDD Officer Advanced/88//Management of Mass Casualties/88//Information Systems Officer/77//NOTHING FOLLOWS					
15.a. MEMBER CONTRIBUTED TO POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM		Yes No X		15.b. HIGH SCHOOL GRADUATE OR EQUIVALENT	
		Yes No X		16. DAYS ACCRUED LEAVE PAID 14.5	
17. MEMBER WAS PROVIDED COMPLETE DENTAL EXAMINATION AND ALL APPROPRIATE DENTAL SERVICES AND TREATMENT WITHIN 90 DAYS PRIOR TO SEPARATION Yes <input checked="" type="checkbox"/> No					
18. REMARKS ITEM 13 CONT'D-Secretary of Defense Identification Badge//Expert Field Medical Badge//NOTHING FOLLOWS					
19.a. MAILING ADDRESS AFTER SEPARATION (Include Zip Code) 9 Feather Rock Place Rockville, MD 28850			19.b. NEAREST RELATIVE (Name and address - include Zip Code) Frazier W. Brickhouse, 3401 Foster Ave Ettrick, VA 22803		
20. MEMBER REQUESTS COPY 4 BE SENT TO <u>NO</u>			21. OFFICIAL AUTHORIZED TO SIGN (Typed name, grade, title and signature) <i>E. C. Troxell</i> EDWARD C. TROXELL, DAC GS-11, CHIEF TRANS PT.		
20. SIGNATURE OF MEMBER BEING SEPARATED <i>Eugene A. Brickhouse</i>					
DD Form 214, NOV 88			Previous editions are obsolete		
23. TYPE OF SEPARATION RETIREMENT			24. CHARACTER OF SERVICE (Include upgrades) HONORABLE		
25. SEPARATION AUTHORITY P. CHAP 4-26, AR 535-100			26. SEPARATION CODE SBC		27. REENTRY CODE NONE
28. NARRATIVE REASON FOR SEPARATION MAXIMUM SERVICE					
29. DATES OF TIME LOST DURING THIS PERIOD					30. MEMBER REQUESTS COPY 4 INITIALS

DD Form 214, NOV 88

Previous editions are obsolete

MEMBER - 4



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
U.S. ARMY RESERVE PERSONNEL CENTER  
8700 PAGE BOULEVARD  
ST. LOUIS, MO 63132-3200

July 9, 1993



Veterans Services Directorate

SUBJECT: Brickhouse, Eugene A. 219 36 5527

Colonel Eugene A. Brickhouse  
USA Retired  
c/o Commander  
U. S. Army Military District of Washington  
ATTN: ANPE-MP-TP  
Washington, DC 20319-5050

Dear Colonel Brickhouse:

This is in reply to a request pertaining to correction of your DD Form 214.

Enclosed is DD Form 215 correction to DD Form 214. You should attach it to your DD Form 214.

I am pleased to be of service to you and appreciate your patience in this matter.

Sincerely,

*Clarissa J. McRoberts*  
for: CLARISSA J. MCROBERTS  
Chief, Awards Branch  
Entitlements Division

Enclosure

/CD (x5272)

CAUTION: NOT TO BE USED FOR  
IDENTIFICATION PURPOSESANY ALTERATIONS IN SHADED AREAS  
RENDER FORM VOID

1. NAME (Last, first, middle) BRICKHOUSE EUGENE AVON	2. DEPARTMENT, COMPONENT AND BRANCH ARMY RA MS	3. SOCIAL SECURITY NO. (Also, Service Number if applicable)
4. MAILING ADDRESS (Include ZIP Code) 9 FEATHER ROCK PLACE ROCKVILLE MD 28850		219   36   5527

5. ORIGINAL DD FORM 214 IS CORRECTED AS INDICATED BELOW

ITEM NO.	CORRECTED TO READ
13	SEPARATION DATE ON DD FORM 214 BEING CORRECTED: 92 04 30  ADD: DEFENSE SUPERIOR SERVICE MEDAL//NOTHING FOLLOWS

6. DATE 9 JUL 1993	7. TYPED NAME, GRADE, TITLE AND SIGNATURE OF OFFICIAL AUTHORIZED TO SIGN  CLARISSA J MCROBERTS GS-8 CHIEF VSE-A ARPERCEN
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DD FORM 215  
1 JUL 79

S/N 0102-LF 000-2150

PREVIOUS EDITIONS  
OF THIS FORM ARE  
OBSOLETE.CORRECTION TO DD FORM 214, CERTIFICATE OF RELEASE OR  
DISCHARGE FROM ACTIVE DUTY

MEMBER - 1



United States

**Office of Government Ethics**

1201 New York Avenue, NW., Suite 500

Washington, DC 20005-3917

SEP 17 1993

The Honorable John D. Rockefeller IV  
 Chairman  
 Committee on Veterans' Affairs  
 United States Senate  
 Washington, DC 20510-6375

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Eugene A. Brickhouse, who has been nominated by President Clinton for the position of Assistant Secretary for Human Resources and Administration at the Department of Veterans Affairs.

We have reviewed the report and have also obtained advice from the Department of Veterans Affairs concerning any possible conflict in light of its functions and the nominee's proposed duties.

Based thereon, we believe that Mr. Brickhouse is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Stephen D. Potts  
 Director

Enclosure



**PRE-HEARING QUESTIONS AND RESPONSES**  
**EUGENE A. BRICKHOUSE**

**1A. What are your views of the purpose and objectives of the position of Assistant Secretary for Human Resources and Administration?**

I believe that the primary purpose of this position is to place within the Department of Veterans Affairs an individual who is committed to -- and willing and able to assume responsibility for -- implementation of the Secretary's and the Administration's policies in the areas of human resources management and equal opportunity and who can effectively advise and assist the Secretary in setting the direction for these programs. I believe the prime objective of this position should be to ensure that VA's workforce is highly skilled and motivated and that employees at all levels enjoy a work environment free of discriminatory practices where their talents are recognized and rewarded and harnessed in a manner which results in the compassionate, caring delivery of high quality services to the veterans of our Armed Forces.

**1B. Briefly discuss any plans or goals you have at this time for implementing changes relating to the operation of matters under the jurisdiction of that position.**

While I have not yet developed any definitive plans or goals for operational change, I will, if confirmed, assume the position with a number of broad personal goals related to the management of programs under my jurisdiction and with a willingness to promote operational change where appropriate. Should I be confirmed, I would like to make significant contributions to Secretary Brown's ongoing efforts to achieve diversity in the VA workplace and eliminate all kinds of discriminatory practices, including sexual harassment. Further, I hope to ensure that all human resources programs and practices -- recruitment, training, salary administration, etc. -- are tailored to support health care reform and other emerging needs of the Department. In every program area under my jurisdiction, it would be my goal to ensure that dollars spent and efforts expended translate directly into meaningful, quality services for veterans and their families.

**2. In the following areas, please describe your experience and any achievements you may have had that you believe are relevant to your nomination to be the Assistant Secretary for Human Resources and Administration:**

- A. Personnel administration, including matters relating to labor relations.**
- B. Equal employment opportunity.**

During my 30 years of service in the United States Army, I had opportunities to observe, learn, and work in the field of personnel administration as a Commander, Operations Officer, Program Manager, and Chief of Staff. In these positions, I had responsibility for directly implementing programs which affected the personnel assigned to my command. I also served in advisory positions which enabled me to influence the development and implementation of personnel policies, particularly in the field of health care delivery.

At the mid point of my career, I earned a Masters degree in Human Resources Management and in subsequent military assignments had the opportunity to apply the knowledge gained in the academic environment.

During my military career, I had broad experience in successfully managing personnel and administration activities. I led teams of as many as 200 military and civilian employees to successfully achieve stated goals. Through the years, I refined my leadership and management skills and established a proven record of developing and motivating employees.

In one particularly challenging assignment as Chief of Staff, Defense Medical System Support Center, I supervised and directed the restructure of a newly realigned organization. I helped develop organizational and employee goals, objectives, and functions for the new organization. With the structure in place, I successfully recruited 88 high-level, key personnel for the organization.

At various points in my career, I have recognized and successfully dealt with labor and employee relations situations which presented delicate issues. As an example, on one occasion, Walter Reed Army Medical Center was in the process of automating some of its hospital functions. Three federal civilian employee unions expressed concern about the effect this automation would

have on employment of their membership. I initiated a dialogue with union representatives and leadership, briefed them directly on the potential impact of the program, and effectively defused the anxiety of the union officials and their membership, thus facilitating a smooth transition.

In the area of Equal Employment Opportunity (EEO), I served in approximately four military assignments as an EEO Officer or as a member of EEO councils. In these capacities, I personally implemented numerous EEO executive training programs. Additionally, I coordinated and managed the EEO policies and programs for a number of organizations. I have learned first-hand the benefits that good EEO policies can have on the morale, effectiveness, and quality of service provided by an organization.

Lastly, among my assignments was an opportunity to serve on the staff of VA's Commission on the Future Structure of VA Health Care (the Mission Commission). During this 15-month assignment, I gained useful insight into the long-range needs, goals, and objectives of the Department, especially in the area of personnel and organizational structure, as well as a reinforced appreciation of the vital role leadership and vision play in the success of an organization.

I believe the above elements of my professional career, combined with my sincere dedication to the task of developing and implementing personnel, administration and EEO policies, have shaped a career which has given me the tools to be an effective manager and leader.

**3A. In your opinion, what should be the major purposes and principal goals of the Office of Personnel and Labor Relations?**

That office has recently been retitled the Office of Human Resources Management, and I believe that its functions should reflect the broad corporate role which the term "human resources management" implies.

The major responsibilities should include:

- Overall Departmental leadership on human resources planning and management issues.
- Development of human resources policies and procedures which will further Departmental goals for serving veterans effectively.
- Advisory assistance to VA managers and employees on human resources matters.
- Training and technical guidance to field staff which will enable them to conduct effective human resources programs at their facilities.

The major goal of the Office of Human Resources Management -- in fact the entire framework for its efforts -- should be to enable VA to recruit and retain a workforce that is exceptional in providing services and benefits to veterans and their families. I would want the organization to focus on excellence and innovation in making VA an outstanding place to work, and in providing quality service that meets the highest customer expectations.

**3B. Currently, what do you believe to be the major challenge(s) faced by this office?**

The Office of Human Resources Management faces a number of challenges which are closely interconnected, and which will have a significant impact on the Department's ability to provide quality service to veterans and their families now and in the future.

Human Resources Planning. As the demographic profile of America's workforce changes, and as technology and service delivery methods become more complex, VA's needs as an employer are also changing. The Department must be able to effect corresponding changes in its workplace; to effectively compete for the services of highly skilled employees and make available to them continuing education and training; to provide incentives and environments that emphasize the value of individuals; and to develop managerial talent and leadership reflective of our Nation's diversity.

National Performance Review. National Performance Review (NPR) provides a framework for addressing many of these issues. VA's Office of Human Resources Management -- like many other parts of the Federal government -- will be dealing with a whole new way of doing business, the de-emphasizing of rule making and enforcement and the placing of increased emphasis on helping employees accomplish goals. NPR recommendations on simplification in personnel regulations, labor-management partnerships, the family-friendly workplace, employee training and empowerment, flexible pay and classification systems, and responsive performance evaluation can help VA in meeting the personal needs of employees as well as the needs of the organization. Translating the concepts into reality in a short period of time will take commitment, leadership and effort.

VA Role in Health Care Reform. Finally, health care reform represents a great opportunity for VA, as well as a challenge, and the Office of Human Resources Management needs to invest itself heavily in the process. The advances in locality pay for nurses and special pay for physicians and dentists have been a good first step. Continued implementation of those and other pay authorities which might be needed; delegating operating decisions to the local level wherever practicable; and creating a human resources environment which attracts the best and the brightest to VA facilities are essential to the future success of veterans' health care.

4. From 1988 to 1992, the Department of Veterans Affairs was engaged in an Affirmative Employment Plan (AEP). The AEP was implemented within the Department to help reduce or eradicate the underrepresentation of women and minorities in VA occupations.

**A. Please identify current VA programs which work toward accomplishing the AEP's objectives.**

It is my understanding that VA has a number of recruitment and developmental programs at both the national and field facility levels which are being effectively used to promote the objectives of VA's AEP. These include:

- National Advertising Program - VA places recruitment advertisements in a variety of publications that outreach to minority and women communities and educational institutions. These publications include the Black Collegian, Crisis, Anuario Hispano/Hispanic Yearbook, and Hispanic.
- Recruitment Program - Staff attend conventions and career/job fairs sponsored by minority and women's organizations to distribute occupation-specific recruitment brochures and disseminate information about VA employment opportunities and application procedures.
- Associate Director Health Care Management Training Program - Selects and develops VA employees with potential to become Medical Center Directors, Associate Directors and Assistant Directors.
- Leadership VA - Selects VA employees with executive and managerial potential for an intensive developmental program.
- SES Candidate Development Program - Identifies and prepares VA employees with potential for advancement into the Senior Executive Service.
- Women's Executive Leadership Program - A year long program conducted by the U.S. Office of Personnel Management and participated in by VA. Its focus is identifying and providing women with developmental activities to enhance their career growth and potential advancement to supervisory, managerial, and executive positions.

**B. In your opinion, what was the overall effectiveness of the AEP?**

At this point, I do not feel I can make a definitive judgment about the AEP's effectiveness in VA. I do, however, believe that greater efforts need to be made to ensure the employment and advancement in most government agencies of women, minorities, disabled veterans and persons with disabilities. From my review of VA's statistical profile, it appears that the overall employment of women, minorities and people with disabilities is quite good, but that there is an obvious need to improve the employment of Hispanics and foster the advancement of women, people with disabilities and the other minorities into the higher graded and executive ranks.

I also have the impression that greater active participation by managers and supervisors is needed in both the development and implementation of the AEP. I am concerned that in some locations there may be significant disparity between AEP plans and realization of their goals.

**C. What plans do you have to further VA's work toward accomplishing the objectives laid out by the AEP?**

If confirmed in this position, I want to place more emphasis on targeting the areas needing the most improvement and in having managers/supervisors more involved in the development and implementation of the plans. I would monitor specific problems and progress. Additionally, I believe it is important to establish measurable goals and activities. I would hope to initiate the following:

- Increased emphasis on the use of student employment programs to meet affirmative employment goals in entry level feeder positions.
- Greater emphasis on the use of upward mobility programs to increase the number of minorities and women in middle management positions.
- More effective use of existing programs and development of new ones, if necessary, to increase the numbers of minorities and women in executive level positions.

5. Earlier this year, Secretary Brown announced a "zero tolerance" for those engaged in activities contributing to sexual harassment.

A. What efforts have been made to ensure that VA maintains a work environment free from sexual harassment, and, in your view, how effective have these efforts been?

I am aware of a number of actions which have been taken since the Secretary's "zero tolerance" announcement. To ensure that persons alleging sexual harassment are immediately protected from further harassment or retaliation, Secretary Brown directed that all such allegations be reviewed at a high level outside the facility or office in which the allegation occurred to determine if intervention was necessary.

Additionally, at the national and field facility level, VA has been conducting on-going training on the prevention of sexual harassment. The Secretary's Ad hoc Group on Sexual Harassment has provided him with several recommendations which were approved. One recommendation called for a survey of all VA employees, volunteers and medical residents to determine their perceptions and experiences with sexual harassment in VA. A work group has been convened to develop the survey instrument and to identify a contractor to collate and analyze the responses to the survey.

It is my view that these activities are making a difference in several ways. First they have raised awareness of the issue by VA employees at all levels. Additionally, the publicity and steps taken have encouraged employees to feel more confident about coming forward as a witness or complainant. I believe that a continuation of these efforts, as well as additional initiatives, will help achieve the "zero tolerance" mandated by Secretary Brown.

B. VA currently requires its employees to receive awareness training in this area. The Committee on Veterans' Affairs has received complaints that the training required does not deliver a clear enough message to VA employees and can be contradictory in its presentation. What is your view of this criticism and of what VA's response should be?

It is my understanding that there are a number of sexual harassment training initiatives currently under way in VA. In addition to programs produced at the national level by the VA organizational components and distributed to their field facilities, training has been developed by some field facilities, regional offices and the Office of Equal Opportunity. I understand that feedback has



been favorable, although I am told that a member of WASH (Women Against Sexual Harassment) did criticize a session she attended. In that case, OEO reviewed the allegations, experience of the instructor, and class evaluations. The findings did not support the allegations. I believe that any criticism should be taken seriously and fully explored and that VA should be open to change wherever it is needed.

**6A. With regard to VA nurse salary matters, what are your views on having salary decisions for nurses being made at the local VAMC level, as opposed to such decisions being made at the Central Office?**

Based on information currently available, I support the nurse locality pay system (LPS) provisions that provide VA facility Directors wide latitude in adjusting salary rates for nurses. Local officials necessarily are best situated to follow changes in their local labor markets. LPS enables them to respond quickly to salary fluctuations which warrant adjusting VA salaries. This local discretion is consistent with the National Performance Review philosophy on decentralizing personnel decisions.

**6B. What are your views on the benefits of a statutory authorization of locality pay differentials for Veterans Benefits Administration employees in high-cost, high-turnover areas?**

The ability to offer competitive salaries is critical to any organization's success, and this is understandably a major concern in high-cost areas of the country. I understand that locality pay adjustments for General Schedule (GS) employees are expected to be implemented in January 1994, and that they will apply to employees in the Veterans Benefits Administration as well as other parts of VA. Therefore, separate statutory authorization does not appear to be indicated at this time. The new locality rates for GS employees, together with existing authorities to pay recruitment and relocation bonuses, retention allowances, advanced entry rates, and special salary rates, should help VA facilities throughout the system recruit and retain well qualified, dedicated employees.

**7. In 1990, for the first time in the history of the Department of Veterans Affairs, the time taken by the Office of Equal Opportunity (OEO) to process discrimination complaints became less than the government-wide average.**

**A. What is the OEO's current average processing time for discrimination complaints?**

Fortunately, even in the face of a major increase in formal complaints, the Office of Equal Opportunity has continued to reduce the average processing time for formal complaints. In FY 1993 the average processing time was 363 days. This is an improvement over the 390 day average for FY 1990. We believe the improvement is particularly significant, given the 100 percent plus increase (FY 1990/1,012 to FY 1993/2,131) in complaint intake during the intervening years.

**B. Briefly discuss any plans or goals you may have to further improve overall OEO complaint processing.**

Based on the information I now have, I feel that further improvements can and must be made. While I would intend to study the issue further before committing myself to a specific remedial plan, I do have some early observations. It appears that delays in conducting investigations of discrimination complaints are sometimes caused by shortage of travel funds at the field facility level. I believe VA must find ways of reducing the delays. Additionally, I believe the numbers of qualified investigators must be increased and their training improved in order to handle the increasing complaint workload.

**8. The Department of Veterans Affairs has made great strides toward providing equal employment opportunity to all qualified persons and eliminating discrimination in employment because of race, color, religion, sex, age, national origin, or handicap. Sexual orientation is not currently included in the Department regulations or guidelines regarding such matters. Please discuss your views on sexual orientation being incorporated into OEO policy language.**

Inasmuch as equal opportunity and discrimination policy is grounded in law, I feel that extending such policies to cover issues of sexual orientation is a matter that would most appropriately be decided by the Congress. This would provide a uniform Federal policy.

POSTHEARING QUESTIONS FOR EUGENE BRICKHOUSE  
FROM SENATOR FRANK MURKOWSKI

Human Resources for Health Care Reform

**In your view, Mr. Brickhouse, does VA currently have sufficient human resources to compete in the health care marketplace? Will VA need increases in personnel in order to successfully compete for patients?**

It is my understanding that VA is now in the early stages of assessing the impact and needs of health care reform. I am aware that the Deputy Secretary, the Acting Under Secretary for Health and a number of other top VA managers gathered last week to focus their full attention on VA's role in health care reform and related issues. While it is obvious to me that employment levels must be in line with the number of veterans who chose VA as their health care provider under health care reform, I have had no involvement in VA's deliberations and lack sufficient information to offer meaningful observations at this time.

Resources for Adjudication Backlog

**Mr. Brickhouse, VA's adjudication system is tremendously bogged down and backlogged. Will you request that the Secretary devote additional resources and personnel -- diverting them from current activities, if necessary, -- to clean up this backlog?**

I know that resolution of the adjudication backlog is a priority with the Secretary and with officials of the Veterans Benefits Administration. I would welcome the opportunity to consult with them and assist in developing new strategies. It is not possible for me to say at this point whether it would be appropriate to recommend a diversion of current resources. Since adjudication of claims is a critical aspect of VA's service to its customers, I would anticipate that this is an area which will merit considerable attention as National Performance Review initiatives are implemented.

## DEMOCRATS

G.V. (SONNY) MONTGOMERY MISSISSIPPI  
 DON EDWARDS CALIFORNIA  
 DOUGLAS APPLEGATE OHIO  
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 TIMOTHY J. PENNY MINNESOTA  
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MADE FLEMING  
 STAFF DIRECTOR AND CHIEF COUNSEL

ONE HUNDRED THIRD CONGRESS

G.V. (SONNY) MONTGOMERY

CHAIRMAN

## U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

335 CANNON HOUSE OFFICE BUILDING

Washington, DC 20515

October 20, 1993

## REPUBLICANS

BOB STUMP ARIZONA  
 CHRISTOPHER R. SMITH NEW JERSEY  
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Hon. John D. Rockefeller IV  
 Chairman, Committee on Veterans' Affairs  
 United States Senate  
 414 Russell Senate Office Building  
 Washington, DC 20510-6375

Dear Mr. Chairman:

As you know, Eugene Brickhouse has been a member of the Committee staff for 18 months. He has been invaluable to us, and I am pleased to support him for the position of Assistant Secretary for Human Resources and Administration. We will surely miss him here.

I would appreciate it very much if you would allow the enclosed letter to be included as part of the record of the October 28 hearing.

Thank you.

Sincerely,



G.V. (SONNY) MONTGOMERY  
 Chairman

GVM/jhh

enclosure

1003 OCT 25 1993

## LETTER FROM SONNY MONTGOMERY

Dear Mr. Chairman,

I want to commend to you with my highest regards the selection of Eugene A. Brickhouse to become Assistant Secretary for Human Resources and Administration. He is an excellent candidate for this important position.

Eugene Brickhouse, a professional staff member of the House Veterans' Affairs Committee for the past 18 months, has an extensive background in medical administration which will be a valuable resource in responding to the job-related concerns of VA employees, more than 200,000 of whom are involved in the delivery of health care. Through his education in human resources management, his military service and the broad reach of his work with committee, the Department of Defense and the VA Commission on the Future Structure of Veterans Health Care, Col. Brickhouse has accumulated knowledge and expertise indispensable to the responsibilities of the post he seeks. Even the most casual dialogue with him reveals an intelligent, inspired, highly personable perfectionist.

With the knowledge that I will lose an impressive and valued staff member, I am pleased to convey my enthusiastic endorsement of his nomination.

Sincerely,

G.V. "Sonny" Montgomery

OPENING STATEMENT  
 Senator John D. Rockefeller IV, Chair  
 Committee on Veterans' Affairs  
 United States Senate

Hearing

Consideration of the Nomination of Preston M. Taylor  
 to be Assistant Secretary of Labor for  
 Veterans' Employment and Training

November 19, 1993

Good afternoon. It is a pleasure to be here today to consider the nomination of Preston Taylor to be the Assistant Secretary of Labor for Veterans' Employment and Training. I congratulate you, Preston, on your nomination. You have a wonderful opportunity to benefit veterans across the entire Nation with the same expertise, hard work, and service you have given to the veterans of New Jersey.

Born in Mobile, Alabama, Preston Taylor received his undergraduate degree from Central Michigan University in 1978, and his Master's degree in Human Resource Management from Pepperdine University in 1987. He has a distinguished military career, including 6 years of active duty with the Air Force and 33 years with the Air National Guard, where he rose to the rank of Brigadier General. He has extensive experience with human resource management and administrative matters, and presently serves as the Deputy Adjutant General for the State of New Jersey's Department of Military and Veterans' Affairs.

Preston, by nominating you to this position, President Clinton has shown great confidence in your work and appreciation for your commitment to veterans. I share in this confidence, and I am pleased that the Veterans' Employment and Training Service will benefit from the expertise you clearly bring with you. I have no doubt that your unique and valuable perspectives regarding the relationship between State and Federal offices will be an asset to this position, should you be confirmed, as I fully expect you will be. Such perspectives should assist you in building a closer partnership focused on sharing Federal and State-level responsibilities and providing services more effectively to veterans.

I look forward to a timely meeting of this Committee later this afternoon to act on Preston's nomination, to enable him to help provide quality employment and training opportunities to America's veterans as soon as possible.

In closing, I note that Preston Taylor has completed the Committee Questionnaire for Presidential Nominees and responded to my pre-hearing questions, all of which will appear in the hearing record. Also included will be a letter from the Office of Government Ethics acknowledging that he is in compliance with laws and regulations governing conflicts of interests. I have reviewed the FBI report on Preston and find no bar to his confirmation.

I fully expect to support this nomination.

NOMINATION HEARING OF PRESTON M. TAYLOR  
 TO BE ASSISTANT SECRETARY OF LABOR  
 FOR VETERANS EMPLOYMENT AND TRAINING  
 STATEMENT BY SENATOR DANIEL K. AKAKA  
 SENATE COMMITTEE ON VETERANS' AFFAIRS  
 NOVEMBER 19, 1993

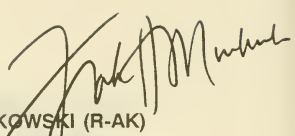
Thank you, Mr. Chairman. I join you in welcoming Mr. Taylor and his family to these proceedings and want to congratulate him on his nomination to be the Assistant Secretary of Labor for Veterans Employment and Training (ASVET).

I have reviewed Mr. Taylor's stellar background and ~~am satisfied that he is fully qualified to carry out the duties of this important position.~~ I observe that he is himself a veteran with a distinguished military record, both as an active duty member of the Air Force and as a member of the Pennsylvania and New Jersey Air National Guards, attaining the rank of Brigadier General in the latter capacity.

During the hearings on a bill I introduced earlier this year, S. 1226, "The Readjustment Counseling Service Amendments of 1993," which this Committee recently approved, I noted the importance of the ASVET position as it relates to the readjustment of veterans to civilian life. With the current downsizing of our armed forces, the employment and training services which Mr. Taylor has been nominated by the President to oversee are likely to become even more critical. It would be no exaggeration to say that the Administration's commitment to veterans will be measured in large part by the leadership Mr. Taylor is able to demonstrate in managing these programs.

Thank you, Mr. Chairman. I am pleased to support Mr. Taylor's nomination and look forward to his swift confirmation.

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SENATOR FRANK H. MURKOWSKI (R-AK)  
RANKING REPUBLICAN MEMBER  
SENATE COMMITTEE ON VETERANS' AFFAIRS

HEARING ON

THE NOMINATION OF  
PRESTON M. TAYLOR  
TO BE  
ASSISTANT SECRETARY OF LABOR,  
VETERANS EMPLOYMENT AND TRAINING SERVICE

NOVEMBER 19, 1993

Good afternoon, Mr. Chairman. It is a pleasure to be here today to consider the nomination of General Preston M. Taylor to be the Assistant Secretary in charge of Labor Department programs to provide job training to veterans, and to assist them in locating civilian employment opportunities.

This job, of course, is a crucial one -- especially now as we "downsize" the military. As you appreciate, Mr. Chairman, we are able, in great part, to "downsize" the military because of the energy, preparedness, and vigilance of our military men and women. Our young soldiers, sailors, Marines and airmen won the



- 2 -

Cold War, Mr. Chairman, and this nation must -- and will -- be there for them to assist in the transition to civilian life.

In my view, Mr. Chairman, there is nothing we can do for the young men and women who are being released from the military that is more important than providing training and other forms of job assistance. I say this, Mr. Chairman, because I believe -- as I know you do -- that no veterans' benefit is more valuable than a real job with a real future. To those who sought to make the military a career and who are, in a sense, victims of their own success, we owe at least that much.

So you see, General Taylor, I view the position to which you have been nominated as an absolutely critical one. I might add, also, that I view it as being a position that deserves to be perpetuated at least until the "downsizing" of the military is completed. There is no doubt that the Veterans Employment and Training Service, like any Government program, could be run more efficiently. But I will need considerable convincing before I

- 3 -

conclude that a separate Veterans Employment and Training Service within the Department of Labor, ought to be abolished.

I know, General Taylor, that you are up to the challenge this position presents, and I am pleased to hear reports of your enthusiasm to tackle the job. I look forward to hearing your testimony, and I look forward to supporting your nomination.

*Thurmond*

REPORTER

STATEMENT BY SENATOR STROM THURMOND (R-SC) BEFORE THE SENATE VETERANS' AFFAIRS COMMITTEE HEARING ON THE NOMINATION OF MR. PRESTON M. TAYLOR AS ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT TRAINING SERVICE; 418 RUSSELL SENATE OFFICE BUILDING, THURSDAY, NOVEMBER 19, 1993, 1:30 P.M.

MR. CHAIRMAN:

It is a pleasure to be here this afternoon. I join you and the members of the Veterans' Affairs Committee in extending a warm welcome to the nominee, Mr. Taylor as well as to his family, friends and guests who may be accompanying him. I am pleased that the President has nominated a person of experience and ability for the position of Assistant Secretary of Labor for Veterans Employment Training Service at the Department of Labor.

Mr. Chairman, this nominee appears well qualified for the position to which he has been nominated. Mr. Taylor is a Veteran of the United States Air Force, with six years of active duty. In addition, he has been a member of the Air National Guard for the past thirty-three years, attaining the rank of Brigadier General. He is presently the Deputy Adjutant General for the State of New Jersey Department of Military and Veterans' Affairs. I believe he will be an effective advocate for Veterans' Employment and Training.

I congratulate the nominee on his willingness to serve his Nation in the position to which he has been nominated. Mr. Chairman, as you are aware, the Veterans' Employment Training Service has been recommended for consolidation and reorganization as part of the National Performance Review. Given this possibility, it is noteworthy that Mr. Taylor has permitted his nomination to go forward.

I must express my concern about the reorganization proposal. The purpose of elevating this position to a full Assistant Secretary was to ensure veterans' issues were adequately visible within and across Department of Labor programs. The need for training and employment assistance to Veterans is becoming more critical as we reduce the force structure of our military. Furthermore, Veterans face unique situations as they transition from military duty to civilian employment. This position is designed to meet the special needs and circumstances of Veterans.

Thank you Mr. Chairman. I look forward to reviewing the testimony presented by the nominee.

STATEMENT OF  
PRESTON M. TAYLOR, JR.  
BEFORE THE SENATE COMMITTEE  
ON VETERANS' AFFAIRS

November 19, 1993

Mr. Chairmen and Distinguished Members of the Senate Veterans' Affairs Committee. It is a privilege and an honor to have been selected by Secretary Robert Reich and nominated by President Clinton to serve as the Assistant Secretary of Labor for Veterans' Employment and Training.

I am grateful to the Senators from my home state of New Jersey, Senator Bill Bradley and Senator Frank Lautenberg, for the support they have given me during this nomination process. I would also like to express my gratitude to Secretary Reich, Deputy Secretary Thomas Glynn, Assistant Deputy Secretaries Steve Rosenthal and Betty Bolden, the various veterans' organizations and the many citizens across the country who have supported me. Last, but not least, I am most appreciative of the support of the members of my family.

I am pleased to have with me today my wife and our daughter. Our son, Christopher, unfortunately, could not take time off from his job to be here. I would like to take this opportunity to introduce my wife, Audrey, and our daughter, Cinthia, to the Committee. (Introductions.)

-2-

If confirmed by the Senate for this position, I will always strive to conduct myself and the business of the agency in a manner befitting the trust that the Committees, the Secretary and the President have placed in me.

As you know from my resume, for the major part of my adult life I have been involved with the military, both the regular active duty components and with the National Guard and Reserve forces that protect our Nation. In addition, for the past five years I have also dealt very heavily with veterans' issues. As Deputy Adjutant General for Military and Veterans Affairs for the State of New Jersey I have worked very closely with veterans. We operate three veterans' nursing homes, 18 veterans' service offices and a veterans cemetery. From my personal experience I know the values as well as the rigors of military service. Those of us who live in freedom and liberty within the United States enjoy the highest standard of living anywhere at any time only because of the dedicated service and patriotic sacrifice of countless numbers of brave men and women. These men and women who answered our country's call to preserve democracy and defend the precious freedoms guaranteed in our constitution are one of our Nation's most valuable resources--our veterans. I, therefore, staunchly believe that all veterans, reservists, Guardmembers and their dependents deserve our gratitude and our respect. I staunchly believe all veterans have earned a measure of special assistance from the United States Government upon

-3-

separation from active duty to facilitate their catching up with their non-veteran peers in the civilian work force; I think that the decision-makers throughout the Federal-State employment, training and re-training services delivery system must be guided by that principle, and that the Department of Labor must provide leadership in this area.

I also staunchly believe it is absolutely essential that this Nation, through the U.S. Department of Labor, continue to protect the reemployment rights of veterans, reservists and Guardmembers who are called to active duty to defend our national security. As we downsize the regular components of our military forces, our dependency on the Reserves and National Guard increases. It is vital to our nation's security, therefore, that we continue to ensure that individuals willing to face the potential perils involved in being a reservist or Guardmember are not also in danger of losing their civilian jobs or associated benefits due to their being called to active duty.

We are in the beginning stages of what historians will cite as a seminal period in American government; re-inventing government to better serve its customers at less cost. We are also experiencing an economic transformation from a National to a global economy. And, we are facing a major reduction in the size of our Nation's regular Army, Navy, Air Force and Marine Corps. As you know, I am a former federal civil servant. I can say from

-4-

personal experience there is much we can and should do to reduce the cost of government and improve customer services. I have read the National Performance Review in its entirety. I think it is an invaluable guide toward achievement of those goals. I believe the Veterans' Employment and Training Service can make adjustments consistent with the recommendations of the National Performance Review that will ensure better service to our customers, veterans and employers, within the veterans' employment and training programs.

The Veterans' Employment and Training Service has already formulated a re-structuring and down-sizing plan that would achieve a reduction of 35 positions by FY 1999, which is in accord with the 12% reduction called for by the President. This plan would cut deeply into the Veterans' Employment and Training Service's management and administrative overhead at the national and regional office levels, but maintain the staffing levels of the front line workers in the state and area offices at about 96% of the current level. The Office of the Assistant Secretary for Veterans' Employment and Training would be retained. This plan would enable VETS to continue its high level of field activities for veterans, reservists and Guardmembers.

I think that the Veterans' Employment and Training Service has been an effective advocate and catalyst for veterans' employment and training services. Furthermore, I think it has done an



-5-

exemplary job of handling Veterans' Reemployment Rights inquiries, complaints and investigations. On average, cases are resolved in less than two months. Nearly all are settled without litigation. That is good service to our customers; the protected individuals and their employers.

However, it is also apparent to me some of the existing programs and policies are not as efficient or effective as they might be, and we need to improve that situation. The Department is working on a "workforce investment strategy" that encompasses comprehensive worker adjustment services, one-stop career centers, and a national labor market information system. The goal of this strategy is to improve the productivity of the Federal-State system for all its customers, meaning both individuals and employers. You may be assured the Office of the Assistant Secretary for Veterans' Employment and Training is working closely with the Employment and Training Administration in the development of that package. If I am confirmed I will ensure veterans' interests will be represented in the formulation and execution of that and other future initiatives. Work is already underway in the Veterans' Employment and Training Service to assess the contemporary needs of veterans, reservists, and Guardmembers, and to develop program policy and delivery system proposals to efficiently meet our goals.

It appears to me the Federal Government does not have a coherent

-6-

policy regarding employment and training services for veterans. For example, the federal statute requires that State Employment Service Agencies give priority to all veterans for all services. However, veterans are not accorded special priority under other Department of Labor statutes, such as the Dislocated Workers and Job Training Partnership Act programs. Therefore, at the local level, where policy is put into practice, there is no clear Federal standard against which to plan and to measure the adequacy of employment and training services to veterans. My highest priority in the next six months, if I am confirmed as the Assistant Secretary for Veterans' Employment and Training, will be to produce for the Secretary's consideration a coherent and viable policy regarding employment and training services for veterans, and an accompanying proposal outlining the means to implement such a policy at the local level.

In keeping with the spirit of the National Performance Review, we must be clear to our grantees both what are our expected results, and what standards we will use to measure them. At the same time, VETS and other grantors, such as the Employment and Training Administration, must provide increased flexibility to our State and local partners so they can meet the nation's goals.

I also understand the importance of communication and cooperation between the Department of Labor, its affiliated state and local government agencies and other service providers, such as the

-7-

Departments of Defense and Veterans Affairs, veterans' service organizations, the National Association of Governors, employers' associations and labor unions. If confirmed, I will ensure that existing lines of communication are maintained and strengthened, and where none exist, that such lines are established and maintained.

Mr. Chairman, members of the Committees, I am ready to accept the challenges that will be faced by the next Assistant Secretary of Labor for Veterans' Employment and Training. I am excited about the prospect of being part of the reinvention of the Federal Government, and believe that my personal and professional experiences have prepared me to succeed in that position. I am well versed in Total Quality Management (TQM) principles and techniques, having been responsible for the successful institution of TQM within the New Jersey Department of Military and Veterans Affairs. I bring to the job the experience and the ability to manage structural and attitudinal changes within an agency, the ability to foster effective teamwork, and the understanding that an agency must continually strive to improve its services to its customers. I look forward to serving the men and women who have served in the Army, Navy, Air Force, Marines, and Coast Guard. They all have been the Americans who have served the cause of democracy, who have opposed tyranny and have defended the cause of human rights for us all.

I respectfully ask for your approval of my nomination, and I await any questions you may have.

Thank you.

# QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name. Taylor Preston Michael  
(LAST) (FIRST) (OTHER)

2. Present address 6 Caitlin Court, Mount Holly, New Jersey 08060  
(CITY) (STATE) (ZIP CODE)

3. Position to which nominated: Assistant Secretary of Labor, Vets 4. Date of nomination: \_\_\_\_\_

5. Date of birth. 11 10 33 6. Place of birth: Mobile, Alabama  
(DAY) (MONTH) (YEAR)

7. Marital status: Married 8. Full name of spouse: Audrey Taylor

9. Names and ages of children. Christopher M. Taylor 27 years old  
Cynthia R. Taylor 13 years old

10. Education:

Institution (including city and State)	Dates attended	Degrees received	Dates of degrees
Central Michigan Univ (McGuire AFB, NJ)	9/84 to 8/87	M.A.	8/87
Pepperdine University (Lakehurst NAS, NJ)	7/76 to 6/78	B.A.	5/78
Lasalle College (Phila, PA) (Evening Classes)	9/70 to 9/95	(60 credits)	
Phila Wireless Institute Phila, PA	9/63 to 2/65		
National Security Manager Ent Course (correspondence)	5/83 to 3/84	Certificate	
Air Command and Staff College (correspondence)	4/79 to 2/80	Certificate	
Squadron Officer's School (Correspondence)	7/73 to 5/74	Certificate	
Naval Air systems Command Senior Executive Mgmt Program	5/85 to 6/88	Certificate	
Air Force Advanced Electronics School (Keesler AFB, MS)	4/58 to 12/58	Certificate	

11. Honors and awards

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Meritorious Service Medal, Air Force Commendation Medal,

Air Force Organizational Excellence Award, Good Conduct Medal (2nd

Award), National Defense Service Medal, Air Force Longevity Service

Award, Armed Forces Reserve Medal, NJ Distinguished Service Medal,

NJ Medal of Honor, NJ Merit Award, Desert Storm Support Ribbon, Naval

Air Engineering Center Manager of the Year, 1985.

12. Memberships. List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and any other prior memberships or offices you consider relevant

Organization	Office held (if any)	Dates
National Guard Association NJ and US	1st Vice President NJ Association	1989
The American Legion	Pemberton, NJ Post	current member
Catholic War Veterans	Trenton, NJ Post	current member
369th Veterans' Association	New Jersey Chapter President	current member
Sea & Air Toastmasters Club	Lakehurst, NAS	1984
Waterford Township Planning Board	Member	1986
Trustee for Waterford Township Library	Member	1988-89

13. Employment record:

List below all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work, and inclusive dates of employment.

1) Deputy Adjutant General, New Jersey Department of Military & Veterans' Affairs, Eggert Crossing Road, CN 340, Trenton, NJ 08625-0340 9/88 to present; 2) Logistics Supervisor, Naval Air Engineering Center (now Naval Warfare Center), Lakehurst, NJ 08733, 12/70 to 9/88; 3) Engineering Technician, Naval Weapons Handling Lab, Colta Neck, NJ 07722, 10/66 to 12/70; 4) Electronics Technician, Phila Naval Shipyard, Philadelphia, PA 19112, 1/61 to 10/66. 5) Electronics Technician, General Electric, 32nd & Chestnut, Philadelphia, PA 19104, 11/60 to 1/61  
6) Electronics Technician, RCA Riverton, Riverton Road, Riverton, NJ 08077, 4/60 to 10/60  
7) Member United States Air Force (active duty) 3/54 to 4/60

14. Military service. List below all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

Active Duty U.S. Air Force 3/54 to 4/60 Strategic Air Command, Staff Sergeant Avionics Technician, Keesler AFB (Miss), Larson AFB (Wash St) March AFB (Calif), Clinton-Sherman AFB (Okla), Honorable Discharge. PA Air National Guard, 1960-1970, Captain. New Jersey Air National Guard 1971-1993, Brigadier General (Honorable Discharge).

15. Government  
experience

List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than those listed above.

Member, New Jersey Air National Guard from Oct 1960

to present. Current rank held is Brigadier General.

16. Published  
writings.

List the titles, publishers, and dates of books, articles, reports, or other published materials you have written.

None

17. Political  
affiliations  
and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years.

None

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved

None

18. Future  
employment  
relationships

- (a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate

I will sever all connections.

- (b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association, or organization.

I plan to retire.

- (c) What commitments, if any, have been made to you for employment after you leave Federal service?

None

- (d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed?

I intend to serve the full term.

- (e) (If appointed for an indefinite period) Do you intend to serve until the next Presidential election? Yes.

19. Potential  
conflicts  
of interest

- (a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated

None

- (b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated

None

- (c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated.

None

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- (d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

None

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- (e) Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

N/A

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20 Testifying  
before the  
Congress

- (a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee?

Yes

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- (b) Do you agree to provide such information as is requested by such a committee?

Yes

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United States  
**Office of Government Ethics**  
 1201 New York Avenue, NW., Suite 500  
 Washington, DC 20005-3917

November 9, 1993

The Honorable John D. Rockefeller, IV  
 Chairman  
 Committee on Veterans' Affairs  
 United States Senate  
 Washington, DC 20510-6375

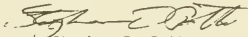
Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Preston M. Taylor, Jr., who has been nominated by President Clinton for the position of Assistant Secretary for Veterans' Employment and Training for the Department of Labor.

We have reviewed the report and have also obtained advice from the Department of Labor concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter from the ethics official of the agency which discusses Mr. Taylor's undertakings with respect to his retained pension interest.

Based thereon, we believe that Mr. Taylor is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

  
 Stephen D. Potts  
 Director

Enclosures

PRE-HEARING QUESTIONS OF  
PRESTON M. TAYLOR, JR.

Question 1. What is your concept of the nature and extent of the Federal government's obligations to veterans, particularly in the areas of employment and training.

Response:

Except for veterans who are discharged under dishonorable conditions, I believe that every veteran during the course of his or her active duty earns a measure of special employment and training assistance from the Federal government to facilitate his or her re-assimilation into the civilian workforce. I believe that veterans should be guaranteed that they will receive the full array of employment and training services they need following separation from the military. Service-connected disabled veterans should be guaranteed such assistance for life. I also believe that veterans, Reservists and Guardmembers are owed protection by the Government of their rights to reemployment in their civilian jobs, without penalty for their absence, following completion of their active duty.

Question 2A. In 1980, Congress created the position of Assistant Secretary of Labor for Veterans' Employment and Training to establish leadership of the Department's programs for services to veterans at the policymaking level. What are your own views of the purpose and objectives of this position?

Response:

It seems to me that the primary purpose and objective for the Assistant Secretary for Veterans' Employment and Training (ASVET) is to provide to the Secretary of Labor and other appointed leaders of the Department the veterans' perspective on policy matters, with the goal of ensuring that, to the extent possible, all Departmental programs will effectively and efficiently serve veterans and their interests.

Second, the ASVET must ensure that the Veterans' Employment and Training Service administers exemplary and innovative special programs for veterans, and constantly strives to improve those programs and services.

Third, the ASVET must provide leadership in forming effective service provider coalitions with entities outside the Department of Labor, so as to efficiently focus the maximum amount of resources on veterans' employment and training problems.

Question 2B. Please describe your experience and any achievements you may have had that you believe are relevant to your nomination to be the Assistant Secretary for Veterans' Employment and Training.

-2-

RESPONSE:

I believe the following relevant experiences and achievements fully qualify me to be the Assistant Secretary for Veterans' Employment and Training: A veteran with six years of active duty in the United States Air Force; a member of the Air National Guard for the past 33 years having risen through the ranks to become a Brigadier General; a master's degree in Human Resource Management; as a supervisor at the Naval Air Warfare Center, Lakehurst, New Jersey, my duties included planning, organizing, staffing, budget generation, funds management and directing and controlling more than 75 Federal employees and contractors.

In my current position as the Deputy Adjutant General for the State of New Jersey, Department of Military and Veterans' Affairs, I am second in command of a department comprised of approximately 3,000 full-time employees and 13,000 part-time Army and Air National Guard troops. The department operates three Veterans' Memorial (Nursing) Homes, a veterans' cemetery and 17 Veterans' Services Offices through the State. As the Deputy, I was appointed as the change agent for the implementation of Total Quality Management (TQM) within the department. TQM is currently working very well and our department is the only state department now practicing TQM.

Question 3A. Recently, serious questions have been raised by the Administration's National Performance Review (NPR) regarding the effectiveness and efficiency of the Veterans' Employment and Training Service (VETS). The NPR report addresses the possibility of improving customer services through a more efficient use of VETS staff. What are your views on the NPR's specific criticism of the prohibition of VETS staff from serving non-veterans?

RESPONSE:

The "specific criticism" by the NPR referenced in this question actually addressed the prohibition against the veterans' specialists employed by the State Employment Service Agencies (SESAs) (under grants administered by the VETS) providing services to non-veterans. It is a fact that the SESAs may not now utilize the full-time Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) program personnel to serve non-veterans without loss of funding for the time spent serving non-veterans; that is because the funds appropriated for those personnel are authorized only for services to veterans.

The NPR report stated that local service center management ought to be allowed to use the veterans' specialists to serve non-veterans when there are no veterans to be served. If there were a situation wherein the service center has literally done

-3-

everything it can for the veterans registered there, I would agree with the NPR recommendation. However, I have never seen any credible evidence that there actually are, or have been, local offices that have done everything possible for its veteran applicants. Even when no veterans are sitting in the office waiting to see a veterans' specialist, the veterans' specialists are busy doing such things as contacting employers to develop training agreements, or to get them to list job openings for veterans. Given that the State ES system has been maligned for its low penetration into the employer market, I cannot believe that the veterans' specialists could ever do too much employer relations work.

So, I believe that until we can agree upon and articulate a set of performance standards against which the adequacy of a service center's services to veterans may be gauged, we do not have a rational basis for deciding when to give greater flexibility to that center's management regarding utilization of staff.

Question 3B. Please discuss your opinion of the NPR recommendation to consolidate VETS with the Department of Labor's Employment and Training Administration. What would be the impact of such a consolidation upon the structure and mission of VETS' service delivery system?

RESPONSE:

The NPR proposed to eliminate 210 full-time equivalent positions, including the position of Assistant Secretary for Veterans' Employment and Training and all of the agency's field positions. The remaining positions (75) would be transferred to the ETA; presumably, the Assistant Secretary for ETA would then decide when functions would be assigned to that staff. Services and activities formerly carried out by VETS' field staff would be performed by ETA staff or by staff of the one-stop service centers grantees.

We don't know much more than that regarding the specific vision of the NPR vis-a-vis veterans' services. However, from a briefing provided by the NPR team leader to the House Veterans' Affairs Committee staff in October, we do know how the NPR authors envisioned the Veterans' Reemployment Rights program activities would be handled after VETS' field staff are eliminated: responsibility for answering inquiries from employers and protected individuals (VETS handled approximately 10,000 such inquiries in the past year) would be placed on the one-stop service center staff. They also would be responsible for receiving official claims from protected individuals, identifying prima facie cases of statutory violations, investigating such cases and trying to mediate and settle them without litigation, and maintaining the case records in accordance with Departmental standards for those cases which must

-4-

go through the Department's Office of the Solicitor for litigation by the U.S. Attorney of the Department of Justice.

Cases to be litigated would be forwarded from the entities operating the service centers (i.e., the State or local government agency or private sector company) to whatever VRR staff are maintained by the ETA, who would then take over responsibility for the disposition of such cases.

Presumably, other direct services to veterans now provided by VETS field staff, such as investigating complaints by veterans that Federal agencies have violated veterans preference rules in their hiring practices, would be handled similarly.

That is how I understand the Administration's position. As the President's nominee I cannot, nor do I wish to, oppose an Administration recommendation. I also understand in 1976 Congress sought to elevate veterans' employment concerns within the Department of Labor by creating a Deputy Assistant Secretary of Labor for Veterans' Employment. In 1980 Congress elevated this position to a full Assistant Secretary.

I understand that it will take a similar act of Congress to merge VETS into ETA. I know no veteran or veterans organization supporting this proposal. If confirmed as the Assistant Secretary for Veterans' Employment and Training I intend to work vigorously to uphold all veterans' employment and training rights mandated by Congress.

Question 3C. In your opinion, would the recommendation to consolidate VETS eliminate principal concerns raised by the NPR report?

#### RESPONSE:

As I understand it, the NPR's principal concern is that the Government's programs become as efficient as possible in providing essential services to its customers. So the equation has two aspects--deciding what are the essential services for the defined customers, and deciding the most efficient means to effectively deliver those services.

I think that before any significant changes in the DOL structure, staffing or mandates to the state/local service providers are implemented, we first need to achieve consensus on a national policy regarding what Government will do for veterans in terms of employment and training assistance. From such a policy statement we can determine what services need to be provided, what performance standards should be established for the service providers, and what would be the most efficient means of providing those services at the required performance levels.

-5-

So, I think that consolidating VETS under the Employment and Training Administration at this time would not be in accord with the overall thrust of the National Performance Review.

Question 3D. Are there alternative means to achieving these same objectives? If so, please discuss them briefly.

RESPONSE:

The VETS agency is already in the process of reinventing itself. VETS' goals for this year reflect the Administration's desires to streamline operations, reduce red tape, cut costs, reduce regulations, reduce administrative burdens on grantees, and better serve our customers.

The agency has drafted budget plans to achieve a 12% reduction in staffing by FY 1999, which is in accord with the staffing cut called for by the NPR.

I think DOL and VETS can meet the intent and spirit of the NPR recommendation without reconfiguring the Department by taking the actions described above.

Question 4. What do you perceive to be the greatest challenge(s) facing VETS?

RESPONSE:

I think that the greatest challenge will be to develop and implement a viable national policy regarding the nature and extent of Government's employment and training service assistance to veterans for the employment and training service delivery system.

The next greatest challenge will be to reinvent VETS in such a way as to make it responsive to the customers' needs, but at reduced costs.

Question 5. Briefly discuss any plans or goals you have for implementing changes relating to the operation of matters under the jurisdiction of the Assistant Secretary for Veterans' Employment and Training.

RESPONSE:

The VETS agency recently initiated a concerted effort to reinvent itself. The agency has five teams, each comprising a cross-section of the agency's staff, assigned to study and recommend changes to agency policies and procedures, in accordance with the agency's goals for FY 1994.

-6-

The teams are involved with (1) the Veterans' Reemployment Rights program operations and changes that would be necessitated if the Uniformed Services Employment and Reemployment Rights Act is enacted; (2) the Job Training Partnership Act, Title IV-C, program; (3) customer satisfaction surveys; (4) the DVOP/LVER program and overall employment and training service delivery system; and (5) VETS internal operations, structure and staffing.

Each team has developed a project implementation plan, and I plan to use their products as guidance for implementing changes.

Question 6. If confirmed, how would you describe your management style? For example, would you tend to require that issues be settled before reaching you and that you be presented with compromise or consensus recommendations, or would you prefer to hear competing views and resolve conflicts yourself?

RESPONSE:

I would describe my management style as participative with emphasis on empowerment; i.e., allowing employees to have greater influence over their work. As part of my style, I view myself as a coach, facilitator, mentor and role model. I believe that most issues can be settled before reaching me because of my commitment to employee involvement. This would be done through employee involvement structures, such as, problem solving teams, project teams and self-managing work teams. These teams (employees) would present the problem (issue) and solicit approval for implementation of their solution. This is my preferred style; however, there will be times when I will be required to make decisions to resolve conflicts after listening to dissimilar views. Finally, I believe that everyone, regardless of his or her position within the organization, should be treated with respect. Employees should be entrusted with their work and complimented when they have done a good job.

Question 7. Please describe any plans you may have for improving the ability of the Veterans' Employment and Training Service to interface with other Department of Labor agencies, such as the ETA, and the individual programs under those agencies such as the JTPA, Apprenticeships, and Job Corps.

RESPONSE:

My highest priority in the area of inter-agency liaison is to improve the interface with the Employment and Training Administration, as well as with all other divisions within the DOL, especially those that may have a direct impact on the delivery of services to veterans. I will expect my Deputy to establish and maintain a close working relationship with the Chief of Staff to Doug Ross, the Assistant Secretary for ETA. I will hold him principally accountable for ensuring that there are



-7-

specific VETS and ETA staff identified as agency liaisons in critical operational areas such as employment service operations, JTPA, Job Corps and apprenticeships.

I envision taking a similar approach to other governmental and non-governmental entities, such as the National Governors Association and the veterans service organizations. That is, identifying the VETS staff expected to act as the liaisons, and holding them accountable through the performance management system. By so doing I believe we can fully capitalize on the contributions that such organizations can make to the agency's initiatives.

Question 8. In the October 1993 edition of VETS NET, Acting Assistant Secretary Crandall cited a number of immediate challenges that will face the new ASVET. Specific reference was made to the consideration of a contemporary policy regarding veterans' priority for employment and training assistance. How would you preserve veterans' preference in light of proposed changes to the current structure of service delivery that would provide for a "one-stop service center"?

RESPONSE:

I support the one-stop service center concept, and believe that the concept of priority for veterans is compatible with the "one-stop" concept, as is the concept of having dedicated veterans' specialists staff located in such centers.

The one-stop service center concept envisioned by the DOL would offer to all customers a mix of basic services and intensive services, in recognition of the fact that the applicant population wants and needs such an array. The veterans population is no different from the general public in that respect.

Whether or not this Administration is successful in enacting "one-stop service center" legislation, I think we must recognize that the question "what does veterans preference mean" already is being asked at the local level, as there are many "one stop" service centers now in existence. Presently the nation's policy of priority for veterans for employment and training services applies only to the State Employment Service Agencies' operation; there is no Federal priority for veterans under the Job Training Partnership Act programs or dislocated workers programs, programs commonly represented by staff on-site at existing one-stop centers. So already at the local level where one-stop centers exist, there are conflicting priorities and conflicting interpretations of the Federal mandate for employment and training services for veterans.

That is why VETS' highest priority will be to develop a viable



-8-

policy for veterans' employment and training that is compatible with a one-stop service concept, so that the Administration can work with the Congress to enact legislation that will pave the way for a more efficient, customer-friendly, employment and training services delivery system that is guided by a clear statement of the results expected for veterans.

Question 9. Do you feel that the current vision and mission statements of the VETS office adequately reflect today's employment situation for veterans caused by such factors as military downsizing?

RESPONSE:

I believe the vision and mission statements of the VETS office needs to be changed to reflect today's employment situation for veterans in light of current, major downsizing of the military. The new mission statement must clearly state that VETS will provide world class quality services to our country's veterans in the area of employment and training and will ensure veterans' employment emphasis under Federal contracts and will vigorously protect and advance veterans' reemployment rights.

My vision is a VETS organization that leads the way by providing quality services to the veterans of the United States Armed Services. I want VETS to be recognized as the Department of Labor's most effective agency, eager to meet veterans' labor challenges of the twenty-first century.

In addition to changed mission and vision statements, VETS needs to establish goals for the 90's. Such goals will be to institutionalize total quality management throughout VETS; effectively manage resources through comprehensive planning, analysis and programming; develop effective leadership and constantly strive for excellence; our aim will be to completely satisfy the needs of our customers--the veterans.

Question 10. What is your overall assessment of the effectiveness with which the VETS' service delivery system provides long-term, meaningful jobs and training opportunities?

RESPONSE:

The performance standards that VETS has applied to the State Employment Service Agency system specifically relate to long-term placements. Generally speaking, the Employment Service system, which includes the DVOP and LVER staff, achieves higher placement rates in long term jobs for all categories of veterans than it does for non-veterans. However, my assessment, and that of other DOL leaders, is that although many State ES agencies are high performing agencies, many are not, and that is why the overall employment and training service systems needs to be reinvented.

-9-

Obtaining appropriate training opportunities for veterans has also been problematic in some areas given the fact that veterans are not a national target group other than within the Employment Service system, and the ES does not control most of the DOL-funded programs that provide training opportunities. I believe that situation would be improved by establishment of a coherent national policy regarding veterans' employment and training that would guide decision-makers at the Federal, state and local levels.

Question 11. What are your views on the appropriateness of Vietnam-era veterans being targeted specifically to receive preference and priority services?

RESPONSE:

If resource limitations were not an issue, I would advocate giving preference and priority to ALL veterans for specialized employment and training services. However, such a position would be irresponsible in light of the costs associated with such a policy, this country's current deficit, and the actual needs of the veteran population. I certainly advocate giving priority for services and special types of assistance to Vietnam-era veterans whose difficulties in the job market are related to disabilities incurred in military service. But, I think that in general, the policy of the Federal government regarding special assistance to veterans ought to be forward looking, aimed at the objective of achieving expeditious assimilation into the civilian work force in secure and well-paying occupations.

Question 12. Do you feel that the current formula for determining the number of DVOP and LVER positions adequately reflects VETS' mission and functions?

RESPONSE:

I believe that not only the formula, but the entire DVOP and LVER program must be examined and modernized. The VETS agency has begun such a review, and expects to have final recommendations early in 1994. VETS' goal in this respect is to be prepared to introduce legislation on this matter no later than May 1, 1994. That would enable the Department to consider the recommendations, concurrently with development of the budget request for FY 1996.

Question 13A. What is your opinion of the Service Members' Occupational Conversion and Training Act (SMOCTA)?

RESPONSE:

The SMOCTA program was the first new employment and training initiative launched nationwide by this Administration. I think the leadership of the Departments of Veterans Affairs (DVA) and

-10-

Defense and the Veterans' Employment and Training Service should be commended for the speed and quality with which they implemented the program this past year.

Question 13B. In your opinion, how effectively has SMOCTA been implemented so far?

RESPONSE:

So far, according to data provide by the DVA, more than ten thousand veterans have been certified as eligible for the training program, and 229 have been placed in the on-the-job training positions. Obviously, the placement activity is lagging behind the activity of identifying eligible veterans, but that is to be expected given that most state agencies' staff did not complete their program training until the end of September; thus the more difficult part of the effort, that is, the development of the training agreements with the employers, only commenced within the last ninety days.

Question 13C. Do you intend to propose any program modifications?

RESPONSE:

At this time I would not propose modifications. However, I am aware that VETS and the DVA are currently discussing the possibility of changing an existing rule that prohibits approval of certain occupations for program subsidization. Specifically, rules now prevent apprenticeable occupations from being approved as training positions unless the employer agrees to a full-blown apprenticeship agreement. It seems to be that we shouldn't prevent an employer and a veteran whom the employer wants to hire and train from coming together under this program simply because the position being offered could be approved as an apprenticeship.

In the larger sense, because the program is still in its infancy, so to speak, I think it premature to propose changes to the program design. Since the inter-agency agreement that launched the program was signed last March I think it would be appropriate for the agency to assess the program as of the end of the first year.

Question 14A. In October 1993, the U.S. General Accounting Office (GAO) released a study on the Federal Contractor Program (FCP). The study indicated that the present system to provide employment opportunities with federal contractors has had little impact on the placement of special disabled and Vietnam-era veterans. One concern is that this particular provision is the responsibility of the Office of Federal Contract Compliance and that the role of VETS is minor. What, in your opinion, is the

-11-

validity of this conclusion?

RESPONSE:

The GAO study raises several significant questions. One, as you indicated in your question, is whether or not the Federal Contractor Program has a significant positive impact on the employment of special disabled and/or Vietnam-era veterans. Another is whether or not it is critical in the hiring process that veteran applicants are the first referred and interviewed, or if the veteran's chances of being hired are just as good if he or she is among the last applicants seen by the hiring official. Finally, the GAO also asked a vital question, which is whether or not it is appropriate today to have a program that is targeted at Vietnam-era veterans.

That VETS has a relatively minor role in the enforcement of the requirements placed on Federal contractors seems to me to be irrelevant to those issues. The study indicated that the agencies involved in administering the program (the State Employment Service Agencies, the VETS and the DOL's Office of Federal Contract Compliance Programs) have generally performed their respective roles well. So it seems that the organization of the work should not be the initial focus of the Office of the Assistant Secretary for Veterans' Employment and Training, but rather the focus should be on those substantive policy issues.

Question 14B. How would you strengthen the FCP and address the concerns raised by the GAO study?

RESPONSE:

Employers that are Federal contractors must also cope with affirmative action and non-discrimination requirements for minorities and for women, as well as this program's requirements. It seems to me that for the Federal Contractor Program for veterans to be effective, it should be targeted at categories of veterans known to be disadvantaged in the job market, and the Federal government should use the same or a very similar approach to goal-setting and measuring of compliance by subject employers that is used to promote the employment of women and minorities. As I understand the current situation, the Federal government's approach to promote the employment of women and minorities is results-oriented, meaning that employers' workforce compositions are compared to the incidence of those target groups in the population; however, the Government's approach as regards the employment of target group veterans is process oriented, with no benchmarks against which to assess the results. Philosophically, I favor the results-oriented approach.

Question 15A. How effective do you believe the Transition Assistance Program (TAP) has been in meeting its objectives?

-12-

RESPONSE:

I think that the Transition Assistance Program has been quite effective. A soon-to-be released study of the program done by a private sector contractor commissioned by VETS indicates that veterans who participated in TAP seminars in the first year of the program obtained their first civilian job three weeks sooner than did their peers who did not attend a TAP seminar. If that continues to be the case (and VETS is having a follow up study being done this fiscal year) obviously TAP is a good investment, because it leads to veterans becoming taxpayers sooner than they would otherwise.

I think that most veterans, empowered by training in job search skills and knowledge of job markets and programs and benefits available to them, can and will successfully re-assimilate into civilian life without intensive Government assistance. The greatest virtue of the TAP approach to assisting veterans is that it is based on that premise.

Question 15B. What is your opinion of TAP's staff levels? Does the program have an adequate staffing resource to accomplish its goals?

RESPONSE:

As I am sure the Committee members know, the Department of Labor provides staff support to the TAP via two means: The State Employment Service Agencies are authorized and encouraged by VETS to assign DVOP and LVER staff the responsibility for delivering TAP workshops; they are the primary TAP staffing resource. Also, VETS augments that staffing by providing, through a contract with CONWAL, Incorporated, TAP workshop facilitators; right now, CONWAL helps support TAP in 18 states.

My understanding is that it is becoming clear that TAP staffing is an issue that must be addressed soon if we are to continue the effort nationwide. Although the 44 states involved in TAP willingly accepted the challenge of implementing TAP at the military installations and absorbing the responsibility as simply an additional duty of the DVOP and LVER program, some now question, in light of overall reductions in DOL funding to them, why they should continue to devote such staff time to serving individuals who may or may not reside in that State after they leave the military. To put it another way, increasingly the States are viewing the TAP as a program mandate that is not adequately funded by the Federal government, to serve a priority that is the Federal government's, not the Governors'. That is due to the fact that the law authorizing TAP does not mandate that DVOP and LVER staff be required to deliver TAP workshop services.

-13-

Therefore, it seems that we have three options: one is to do nothing, but I assure you, ignoring a problem is not my style. Another is to request additional resources, and the third is to identify TAP as an integral component of the DVOP and LVER program that must be supported out of the grant funds. If confirmed, I intend to see that this issue is considered within the agency's on-going review of the DVOP/LVER program and that it is specifically addressed in the recommendations by the workgroups tasked with the assignment.

Question 16A. Please describe the role you envision the Assistant Secretary for Veterans' Employment playing on President Clinton and Secretary Reich's team as they seek to redesign America's employment and training structure?

RESPONSE:

I do not think that this Administration can successfully re-vamp the nation's employment and training system unless it is successful in articulating a viable national policy regarding veterans' employment and training. I believe that to achieve the maximum in efficiency and effectiveness, every service provider involved in the system must be given the clearest possible message by the Department of Labor as to what outcomes are expected for each and every target group identified as a national priority.

I envision my role as the Assistant Secretary for Veterans' Employment and Training for President Clinton and Secretary Reich as being their principal advisor on veterans' employment and training issues during the redesign of America's employment and training structure. This advice will include ways in which VETS can provide higher quality services without loss of productivity. We will be constantly looking at ways to improve internally as we develop better interdepartmental collaboration with the Departments of Defense and Veterans Affairs, and the State Employment Security Agencies. My role will also include providing input as the Department develops new policies aimed at improving job and training opportunities for U.S. citizens.

Question 16B. What, if any, special considerations should be given to veterans in this new structure, and how would you ensure this was accomplished?

RESPONSE:

As I have said previously, I believe that every veteran earns some measure of special assistance to help him or her assimilate successfully into the civilian job market. As I have also said, I think that many, if not most, can successfully compete in the civilian job market given little more than job search skills training, good labor market information and knowledge of the

-14-

array of program services and benefits available to them. But I also think that some veterans are especially disadvantaged by their having served in the military, and that they should be provided intensive services. For examples, veterans who incurred or aggravated a disability in the military, and veterans whose military occupational specialties experiences are not transferrable to the civilian workforce, should be provided special assistance by the system. Not only have veterans earned such priority, I believe we must recognize that the Government has already made a huge investment in the training and education of every veteran, an investment that diminishes in value to the individuals, to their potential employers, and to the country if we allow such disadvantaged veterans to languish in the unemployment lines or to bounce from one menial job to another.

As a result of the current military draw down, the largest in more than 50 years, hundreds of thousands of personnel will be forced to leave the service by 1995. There are many uncertainties about where these people will find jobs. Many veterans leaving the military do not have skills that can be converted to the private sector; that is also a major concern of mine.

A total of 130 bases will be closed in the near future. A large percentage of the civilian work force at these bases are veterans and many veterans in the private sector are losing their jobs because of layoffs and restructuring. Therefore, special considerations should be given to veterans in the design of a new employment and training structure and I see VETS as the implementator of new policies and procedures approved by the President and Secretary Reich to benefit those who served our country in uniform.



QUESTIONS FOR PRESTON M. TAYLOR  
FROM SENATOR DANIEL AKAKA  
NOVEMBER 19, 1993

1. Mr. Taylor, would you please indicate your anticipated relationship with the Secretary of Labor if confirmed to this position. That is, do you anticipate that he will be accessible to you?
2. Have you had discussions with the Secretary about his goals and expectations of you in this position? If so, would you please briefly describe those goals and expectations and how you might work to achieve them.
3. Would you briefly discuss any concerns you may have regarding the impact of our current military downsizing efforts as it relates to veterans ability to be reassimilated into the civilian workforce?
4. Recently, this Committee marked up legislation that would require employers to rehire veterans up to five years after they left employment to enter military service. Please give your personal comments about the legislation?
5. In a bill which I introduced earlier this year, S. 1226, there was a provision that called for the VA to prepare an implementation plan for the introduction of the Vietnam Veterans Resource Center (VVRC) program at all vet centers nationwide. Part of the work that is done in the existing ten VVRCs is the counseling of veterans on employment opportunities and job training. Are you aware of this program and would you care to comment on the VVRC concept? Would it be advisable to expand the VVRC program to other vet centers?
6. From time to time, there have been calls to eliminate the ASVET position and to have the Veterans Employment and Training function absorbed by other DOL departments. Veterans service organizations have strenuously opposed such initiatives. Please provide me with your views on this matter.

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